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Presidents Arrive for Mercosur Talks

PY1401155794 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1409 GMT 14 Jan 94

[Text] Buenos Aires, 14 Jan (NA)—Uruguayan President Luis Alberto Lacalle and Paraguayan President Juan Carlos Wasmosy arrived here this morning to participate in a series of meetings with Argentine President Carlos Menem.

Lacalle and Wasmosy were met by Menem at the military sector of the Jorge Newbery Airport. They immediately departed for the South Coastal Avenue where they will participate in the ceremony of the opening of the bids for dredging a stretch of the Parana River, an undertaking within the framework of the so-called river highway that will join the port of Caceres in Bolivia with the port of Palmira in Uruguay.

The three chiefs of state will then have lunch at the Olivos residence where they will discuss matters pertaining to the Mercosur [Common Market of the South].

Antisubversive Pact Considered

PY1401192294 Asuncion ULTIMA HORA in Spanish 14 Jan 94 p 13

[Text] [Paraguayan] President Juan Carlos Wasmosy arrived in Buenos Aires this morning. He will probably propose an association of Southern Cone governments, in what could be called the resurgence of the "Condor Operation," to fight eventual subversive outbursts similar to that provoked by the Zapatist movement in Chiapas, Mexico.

Argentine media sources commented on a meeting between [Argentine President] Carlos Menem, [Uruguayan President] Luis Alberto Lacalle, and Wasmosy in Punta del Este last weekend, during which the presidents reportedly expressed concern for the possible entry, through the Bolivian and Paraguayan borders, of alleged guerrillas who would attempt to destabilize local governments.

Asked about the subject shortly before leaving for Buenos Aires, Wasmosy denied that the issue had been discussed during the Punta del Este meeting. He said, however, that the matter could possibly be raised this time around, adding that if this were the case he would propose the association of the three countries' armies and intelligence services. Asked about his government's proposal if the issue of guerrilla activities were discussed at the mini-summit, Wasmosy said: "An association. Let us hope all countries will join efforts—armies as well—to fight drug trafficking, money laundering, and crime in general. That is the objective. We had a meeting of general staff chiefs to discuss the matter recently. I think we have made progress."

Caricom Secretary General Examines GATT, NAFTA

FL1501183594 Bridgetown CANA in English 1358 GMT 15 Jan 94

[Text] Bridgetown, Barbados, 15 Jan CANA—Caribbean Community (Caricom) secretary-general, Edwin Carrington, says 1994 will be "a critical year" for the 13-nation economic group because of challenges presented by the new General Agreement on Tariffs and Trade (GATT) and the North American Free Trade Agreement (NAFTA).

The new GATT, concluded last month after seven years of tough bargaining under the so-called Uruguay Round, will govern international trade into the next century. NAFTA, on the other hand, is expected to shape future trading relations among countries of the western hemisphere, including Caricom's 13 members.

"Our priorities in the region must take into account these important developments," Carrington told CANA during a visit here this week. If Caricom is not "effectively strengthened" to deal with these changes, he warned, the region will face the prospect of marginalization in the world Community.

"Unless Caricom is effectively strengthened, it cannot take an effective part or play an effective role, or protect itself effectively or take advantage of the opportunities, withstand the challenges or deal with the challenges that will emerge from these international developments," Carrington said.

As the first priority for this new year, he said, Caricom should move speedily to establish the proposed single market and economy. The second priority was deciding how the region will deal with NAFTA which took effect on January 1 and links the United States, Canada, and Mexico in a free-trade zone. NAFTA, a United States idea, envisages the eventual creation of a free-trade zone embracing all democratic and free market-oriented countries in the hemisphere.

Carrington said NAFTA was an important issue for Caricom countries because the bulk of their trade and investment relations are with North America, in particular the United States. He indicated the United States was setting tough conditions for considering a Caricom request that some key regional exports, including garments, sugar, and petroleum, be granted temporary parity with mexico in terms of access to the U.S. market.

Because these Caricom exports do not enjoy duty free access to the U.S. under the Caribbean Basin Initiative (CBI), Caricom producers fear they will lose out to Mexican competitors in these areas because Mexico has an advantage under NAFTA. If its request for same treatment as Mexico is granted, Caricom hopes to use the period—three years is the time proposed—to make necessary adjustments and to negotiate participation in NAFTA if it decides to go that route.

"…. The U.S. is saying ...Before we can give consideration to the question of parity, we would like to know how you stand on intellectual property rights, ... What are your conditions of worker rights, what is the status of democracy and good government, what is the CET (Caricom's Common External Tariff) going to be on critical products like rice, what about investment guarantees for our investors in your countries, ...What is your macroeconomic framework and policy?"

"All these they are demanding just to talk about the question of parity, which is a temporary limited concession, before we get to the next stage of the question of full NAFTA membership if we so decide," Carrington told CANA.

The Caricom secretary-general said Caricom's approach to NAFTA is linked to the Association of Caribbean States (ACS), expected to be established in July. Membership will be open to all countries within and bordering the Caribbean Sea, including some Central American states.

"...Those countries of Central America which are covered by the Caribbean Basin Initiative face exactly the same challenge like we face with respect to NAFTA," Carrington said. "What are trying to do right now is ... Design a machinery to work jointly with them. We agreed in principle so to do, but the machinery for doing is now being established."

The Caricom secretariat plans later this year to mount a number of seminars dealing with NAFTA and the new GATT for various regional sectors.

Differences on Waterway Project

PY1701201594 Madrid EFE in Spanish 1516 GMT 17 Jan 94

[Text] Colonia, 17 Jan (EFE)—A series of differences were revealed on 17 January in the first results of a meeting the presidents of Argentina, Brazil, Paraguay, Bolivia, and Uruguay held to give political support to the Parana and Paraguay Rivers "waterway."

Carlos Menem, Juan Carlos Wasmosy, Itamar Franco, Luis Alberto Lacalle—the presidents of Argentina, Paraguay, Brazil, and Uruguay—are in Colonia, 180 km from Montevideo, attending the fifth Common Market of the South [Mercosur] summit, whose agenda centers around resolution of discrepancies for implementation of a common market.

Bolivia, which is not a Mercosur member, is being represented by its president, Gonzalo Sanchez de Lozada, who is attending as an observer. This country has been considered part of the River Plate Basin in the "waterway" project, which will give Bolivia its longed-for access to the sea.

Uruguayan Foreign Minister Sergio Abreu told journalists that "the waterway will be included as a topic in the final declaration" of the fifth summit, which will end this evening, but did not report on the project's difficulties.

The common channels that Argentina and Uruguay—the two River Plate coastal nations—have under the terms of the River Plate Treaty have been used so far to reach the sea from the Paraguay and Parana Rivers.

But an Argentine initiative to build a private channel within its territorial waters through a public works concession to a private party, a project that will be financed through tolls, has created displeasure among the system's partners.

Uruguay has conveyed to Argentina its concern over the Mitre channel, which is the name of the Menem government's privatization project.

This channel will join the Argentine port of Rosario on the Parana River with the Atlantic Ocean. This will eliminate the Uruguayan port of Nueva Palmira as the river's final port, where Paraguay and Bolivia have been allowed to operate duty-free warehouses.

Uruguay also is concerned that the deepening of the new channel in Argentine territory will displace the channel the two countries share in Martin Garcia.

River navigation experts also have voiced their concern about the Mitre channel, which could force Uruguayan ships to pay tolls to the enterprises awarded the construction of Argentine public works, even for navigation to Uruguayan ports on the Uruguay River.

Argentina's Menem Speaks

PY1701194094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1508 GMT 17 Jan 94

[Text] Colonia, 17 Jan (NA)—President Carlos Menem today criticized the region's businessmen and said "there are companies" in Mercosur [Common Market of the South] member countries "that, safeguarded by an internal growth policy, were protected more than necessary."

"They lost their spirit of initiative and market sensitivity, which should be their essence, so competing in a broader market is a difficult challenge for them," the Argentine president said.

Menem's statements were interpreted as a reply to the demands made by some industrial groups in the region, especially the Argentine Industrial Union (UIA), which repeatedly has requested the postponement of the deadlines to establish Mercosur.

The Argentine president, however, said his government "is clearly concerned with this situation because behind each company there are capital and jobs of people whom we cannot forget."

Menem made these statements during the official opening ceremony of the fifth Mercosur Council meeting that is being attended by the presidents of Uruguay, Brazil, Paraguay, and Bolivia in the El Mirador Hotel convention hall. Bolivian President Gonzalo Sanchez de Losada attended the meeting as a special guest since his country is not a Mercosur member. ? With Mercosur, Menem said: "We have begun to change the continent's history and I would even say that we have taken a qualitative step toward our maturity as a nation."

"Interrelation has become so important that currently not even the major world powers can avoid political, economic, and cultural associations with other countries. The European Union and NAFTA are eloquent evidence of this."

He said: "The economic benefits our four countries currently are obtaining through Mercosur are evident," adding that one of the most evident accomplishments has been the increase of trade in the region.

When referring to the troublesome subject of common import duties, the Argentine chief of state praised the fact that the member countries have so far agreed on a considerable amount of items, although he recognized that "there is still much to be done."

"In 1994 we must make a renewed effort to improve the basic instruments that will guarantee fluid trade in Mercosur as a free trade zone and as a customs union," Menem said.

In turn, Brazilian President Itamar Franco said efforts in the past three years to establish Mercosur "were greatly compensated for by the positive results already attained."

Franco agreed with Menem that in 1994 the member countries will go through a decisive stage because they must define a common import duty to consolidate the integration process.

Brazil's Franco Speaks

PY1801000894 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 17 Jan 94

[Text] During the fifth Common Market of the South [Mercosur] summit in Colonia del Sacramento, Uruguay, President Itamar Franco stressed that this year Mercosur will have to define a foreign tariff and the common trade policy that will be pursued.

Sitting next to the presidents of Argentina, Uruguay, and Paraguay, the Brazilian president emphasized that Mercosur's success will be closely linked to the customs unification on 1 January 1995.

President Itamar Franco stressed that the Brazilian Government is determined to comply with all the commitments made in order to implement the economic and social goals defined in the Asuncion Treaty.

In his speech, President Itamar Franco emphasized that Brazil does not assign an exclusive priority to Mercosur and confirmed his favorable stance for enhancement and joint efforts toward integration with the Andean Group and Amazon Initiative countries.

In his speech, the Brazilian president said the Mercosur countries are paying attention to today's reality involving the establishment of NAFTA, an organization economically uniting the United States, Mexico, and Canada.

President Itamar Franco emphasized the democratic maturity of Brazil, Argentina, Uruguay, and Paraguay as a factor required for the success of South America's integration.

Bolivian President Speaks

PY1801024794 Madrid EFE in Spanish 1656 GMT 17 Jan 94

[Text] Colonia del Sacramento, Uruguay, 17 Jan (EFE)—Bolivian President Gonzalo Sanchez de Lozada, speaking about Latin American integration today, said: "We have failed and we must recognize it in our lack of political willingness to eliminate borders because they exist more in the minds of our countries' leaders than in geography."

Sanchez de Lozada spoke before his Argentine, Brazilian, Paraguayan, and Uruguayan counterparts to thank them for the invitation to participate as an observer in the fifth Mercosur [Common Market of the South] summit. The Bolivian president said: "Our peoples have always considered themselves brothers and members of a greater Latin American family. In this process of advancing behind an ideal, we have fallen and risen many times, but we are learning."

"The new international reality has a dizzying dynamism. The EC is practically a reality. There are new and powerful economies in Asia and the Chinese giant seems to be awakening," Sanchez de Lozada said.

"With our past experiences and the demands of the world today we, Latin Americans, are taking the challenge of integration more seriously, and Mercosur is proof of that," Sanchez added.

"We, Bolivians, are convinced that undertakings such as Mercosur, the Andean Pact, or the Group of Three have the common objective of advancing behind a larger and broader sub-regional integration ideal, which will be followed by a regional and then a continental integration process," the Bolivian president said.

"We congratulate ourselves for the implementation of NAFTA not only because it represents an important step forward in the economic relations of friendly countries, but also because Mexico's participation establishes new and promising terms for our intercontinental economic and trade relations."

Sanchez stressed: "We must direct all our integration energy toward convergence and direct all our bilateral and subregional efforts toward a regional economic area."

The Bolivian president said this integration must be based on three basic pillars: free trade with productive investment, international equality, and social well-being "because the economy must serve man and not simply the statistics."

Sanchez de Lozada said: "Bolivia has a role in this process of articulation and contact. We are ready to play our role in American integration. We have a deep belief in integration and we will play our role in the River Plate area, or the Andean, Amazon, Pacific, or Atlantic regions."

Sanchez de Lozada concluded by saying: "Bolivia is a privileged country in the Latin American region because of its geographical position, its clarity, the continuity of its economic policy, and, above all, because of its unfailing integrative political will."

Cuba

Robaina Says Multipartyism Unimportant

PA1401173094 Madrid EFE in Spanish 1943 GMT 13 Jan 94

[Text] Mexico City, 13 Jan (EFE)—Today, Cuban Foreign Minister Roberto Robaina said he has never heard multipartyism discussed at Cuban Government meetings because it is an issue that is "not very serious" and "lacks importance."

"Our meetings are characterized by their substantial agendas; there is no time for such unimportant issues," Robaina said in the second part of an interview published today by EL SOL DE MEXICO. "Thoughts about multipartyism are not among our country's many priorities at this time," Robaina added.

Asked if there has been any reaction within the government to exiled Cubans' statements supporting multipartyism, the Cuban foreign minister responded: "From the time I began participating in the meetings, an issue of such little importance has never been on the agenda. The historical reasons that joined us into a single party are stronger today than ever."

Robaina asserted, "There used to be multipartyism in Cuba and all those parties did very little to resolve the considerable problems our society had experienced for over half a century."

Commentary on Worker Participation in Economic Reform

PA1401145994 Havana Radio Havana Cuba in Spanish 0000 GMT 12 Jan 94

[Roberto Morejon commentary from the "Evening Information Review" newscast]

[Text] At this time of necessary changes, Cuban labor unions are pushing to become the vanguard in adapting the Cuban system to the very unfavorable international context, and they are doing this by promoting internal reorganization of the nation's finances. The union movement advocates doing away with formalism, and it supports a more realistic look at problems and their possible solutions from the perspective of the workplace, as well as from a nationwide point of view. A recent editorial in the weekly TRABAJADORES, mouthpiece of the labor unions, called for the elimination of ritual and repetitive language. It asked for an end to the constant use of triumphant arrogance during everyday work at the unions' grass-roots level—a level that includes factories, workshops, and service centers.

TRABAJADORES attacked the use of what Cubans call "teques." This means using propaganda slogans instead of objectively analyzing the problems affecting any given daily situation. "Teques," according to the weekly, is the corruption of revolutionary language. It called on the unions to move into an offensive mode and leave behind the habit of forever waiting for guidance from higher up while deficiencies continue to grow at the workplace. The call for a more specific analysis of the problems affecting a certain work center and the country in general is consistent with the nationwide effort to face the economic crisis provoked by external forces in a way as realistic as possible.

The same weekly had previously called on workers to fight for social equality and to banish egalitarianism practices of years gone by. These methods had such a negative effect that they managed to neutralize the workers' enthusiasm to produce more and better products. The current trend is to consider equality as a beautiful humanistic ideal and also as a condition for economic development.

Now, more than ever before, Cubans believe it is time to do away with idealistic practices and to cautiously apply the socialist principle of distribution of wealth according to the quality and quantity of work performed by each individual. In this context, it should be understood that if work does not become the true gauge with which to measure merit and, in turn, measure each worker's standard of living, current deterrents to production and efficiency will prevail.

The Cuban unions will support the socialist formulas designed to increase work results and will have greater participation in the decisionmaking process in this area. Whenever this does not occur, it will be the workers themselves who will demand the unions assume their rightful role.

Ciego de Avila Workers Agree on Economic Measures

FL1401162694 Havana Radio Rebelde Network in Spanish 1502 GMT 14 Jan 94

[Text] The workers of the National Agricultural-Livestock Projects Enterprise [Empresa Nacional de Proyectos Agropecuarios] in Ciego de Avila has argued in favor of the strategy of preserving the accomplishments of socialism amid measures to give new impetus to the economy and streamline the nation's finances. At what constituted the first base-level assembly of the province's workers movement, the 80 workers of this center came out in favor of continuing to provide free public health and education services, among others. They all agreed, however, that there had to be an end to inflated personnel rolls, and that direct production labor had to be increased. They explained that excess personnel should accept offers of new jobs that offer a minimal salary guarantee.

The assembly also came out in favor of changing the currency as a way to streamline finances, and of confiscating the property of so-called "profiteers" [macetas].

More on Lage Remarks on Possible Economic Recovery

FL1501030194 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 15 Jan 94

[Text] There are perspectives for certain sectors of the national economy to begin recovering in 1994. This was stated by Politburo member Carlos Lage during a visit to Ciego de Avila. [Words indistinct] has demonstrated its capability to resist and its conviction to maintain the principles of socialism.

[Being Lage recording] I believe that the perspectives have to be seen not only in the context of one year but in the next few years. I believe the country has all the possibilities so that [words indistinct] begin and develop in the next few years. It will be—I would add—a slow recovery. It will be a step by step recovery.

The difficulties are great and the resource limitations are severe and will continue in 1994. The resources for 1994 are closely tied to the result of the last harvest, which was 4.27 million tons of sugar, and these resources seriously affect the preparation of the resources with which the economy has to operate in 1994. Therefore, we have to be aware that this is also going to be a very difficult year, a year filled with many difficulties. However, we think that this year certain activities of the economy might begin to experience a better situation.

Of course, in the conditions our country lives, we have to to make all these projections keeping in mind that there are factors we cannot control, which are not dependent on our possibilities. After losing our highly stable foreign economic relations, we are dependent on sugar and oil world market prices. The conditions of the blockade give our economy very few opportunities to protect itself from price factors.

Keeping in mind the conditions in which we are beginning this year, we believe that certain activities might begin to recover, such as the sugar industry. I believe that we will overcome the special period being more efficient, more aware of the conservation of resources, and with more rationality. [end recording]

Study on Radiation Status Noted

FL1401151894 Havana Radio Rebelde Network in Spanish 1255 GMT 14 Jan 94

[Report by National News Agency correspondent Nieves Toledo]

[Text] According to the results of a study carried out by specialists from the Radiation Protection and Hygiene Center [Centro de Proteccion e Higiene de las Radiaciones] and the provincial delegations of the Executive Secretariat for Nuclear Affairs, Cuba has optimal radiological environmental conditions, favorable for any kind of human activity.

Vice Foreign Minister Admits Need for Economic Reforms

PA1401232194 Madrid EFE in Spanish 1431 GMT 14 Jan 94

[Text] Madrid, 14 Jan (EFE)—Cuban Vice Foreign Minister Isabel Allende admitted in Madrid today that her country needs to make changes to resolve its economic crisis, as long as there is a consensus by the people. Allende emphasized the need to safeguard Cuba's independence. She pointed out "We need to make those changes but the first thing that has to be taken into account is the people's opinions."

The Cuban vice minister for European affairs arrived in Spain on Tuesday and will visit until 21 January. Among other matters, Allende will make preparations for Cuban Foreign Minister Roberto Robaina's visit to Spain scheduled for the end of March.

In Madrid, Isabel Allende met with Yago Pico de Coana, general director for Ibero-America, and with Jose Luis Dicenta, state secretary for International Cooperation, with whom she discussed the follow-up work of the joint scientific-technical, cultural, and educational commission.

Allende, who said that Cuba has heard opinions on how to deal with the economic crisis, described the document published yesterday in Madrid's EL MUNDO newspaper as "fictitious" [apocrifo]. It stated that Cuban President Fidel Castro rejected the application of reforms proposed by former Spanish Economy Minister Carlos Solchaga. According to the newspaper, described by Allende as "a series of ridiculous things," Solchaga, in a secret report drafted after a trip to Havana, proposed a rapid transition to capitalism, which Castro rejected.

Allende also denied that Yago Pico de Coana handed her, as EL PAIS published yesterday, a list of prisoners of conscience that the Spanish Government would like freed before Robaina's visit. "We discussed Robaina's visit; there is no new list," Allende stated. He stressed that this question (the alleged list of prisoners) did not occupy even one moment of our conversation." [no opening quotation marks as received]

"The Cuban foreign minister was invited by his Spanish colleague Javier Solana. The government has not set any conditions for Robaina's visit," she said. "I believe the visit is important, but it is not something extraordinary; it will be a working visit and bilateral relations, among other things, will be discussed," Allende said.

Regarding the departure from Cuba of Alina Fernandez, Fidel Castro's illegitimate daughter, the Cuban diplomat said that "it has not had any special repercussions; we do not normally prevent people from leaving. Many people depart Cuba and Cuban migration is a topic that is manipulated extraordinarily," Allende added and admitted that "there are many people who migrate from Cuba in search of better living and working conditions."

The vice minister announced that Cuba is preparing for a meeting with the Cuban community abroad that wants to cooperate with the government's current project.

On the topic of the U.S. blockade, Allende pointed out that the Cuban Government has never offered anything in exchange for an end to the blockade, "because it is illegal." Nevertheless, she added, right now there is a "less aggressive language" between the two countries.

Regarding the peasant and Indian uprising in the Mexican State of Chiapas, the diplomat stated that "we are interested in a strong Mexico, without social conflicts, and we want everything to work the best possible way."

Vice Foreign Minister Views Visit to Spain

FL1501011194 Havana Radio Reloj Network in Spanish 2315 GMT 14 Jan 94

[Text] Cuban Vice Foreign Minister Isabel Allende today described the bilateral relations between Cuba and Spain as good and constructive. Vice Foreign Minister Allende who is on a working visit to Spain said that, as in every relation, the parties involved have differing views on some topics, but the important thing is the attitude assumed to overcome the differences and difficulties. During her stay in Madrid, Isabel Allende met with high-ranking Spanish Foreign Ministry officials with whom she discussed bilateral matters such as the progress being made by the joint scientific and cultural and technical and industrial commissions. Allende also talked about Cuban Foreign Minister Roberto Robaina's upcoming trip to Spain. Robaina was been invited to visit the country by his Spanish counterpart, Javier Solana.

Many Madrid newspapers today reported on Vice Foreign Minister Allende's visit to Spain. The fact that the newspapers covered Allende's visit has been interpreted as a sign of interest in the island which has opened up to foreign investment, mainly Spain's. In response to questions asked by reporters about the blockade, Allende said that this U.S. measure against Cuba is illegal, that it violates international laws, and denies the precepts of a market economy, which is based on freedom of trade, enterprise, and navigation. Allende also admitted that since President Bill Clinton assumed office, a less aggressive language toward Cuba has been evidenced; however, this does not mean that their policy toward the island will change. Allende, who is currently visiting the Cuban consulates in Barcelona, Vigo, and Sevilla, will return to the island next week.

Raul Castro Visits Central Army

FL1501010894 Havana Radio Reloj Network in Spanish 2032 GMT 14 Jan 94

[Text] Army General Raul Castro, minister of the Revolutionary Armed Forces, today in Cienfuegos attended the event marking the beginning of this year's defense training in the central territory. On behalf of the commander in chief, the Central Committee, the government, and on his own behalf, Raul Castro thanked the people for what they have done, and continue to do, in the defense of the fatherland. Manuel Menendez Castellanos, first secretary of the Communist Party of Cuba in Cienfuegos, summarized today's events. He said that the central territory surpassed its tunnel digging plan by 105 percent. During the event, the five most outstanding municipal general staffs in the area received awards. These municipalities are: Jovellanos, Matanzas Province; Camajuani, Villa Clara Province; Cumanayagua, Cienfuegos Province; Yaguajay, Sancti Spiritus Province; and Majagua, Ciego de Avila Province.

During his visit to Cienfuegos, Army Gen. Raul Castro said that the result of the work done represents tons of sweat of millions of combatants, militiamen, and members of the production and defense brigades. In statements to Radio Reloj, Raul said that despite the situation confronted by the country, the men and women who make up the Army are aware that the sole goal of their effort is to prepare for war and to avoid war. Raul Castro described today's event, which was held in an area near the Jaime Gonzalez Airport, as one filled with emotion, patriotic, profound, and revolutionary. Following the event, Raul attended a meeting at the Camilo Cienfuegos Military School, where the participants discussed the results of the Central Army's 1993 defense training and the guidelines for 1994.

[Havana Radio Rebelde in Spanish at 1800 GMT on 14 January carries a similar report, but adds that Division General Joaquin Sola, chief of the Central Army, also attended the event.]

Congratulates Eastern Army Units

FL1601214094 Havana Radio Reloj Network in Spanish 2030 GMT 16 Jan 94

[Text] Army General Raul Castro, second secretary of the Communist Party of Cuba and minister of the Revolutionary Armed Forces [FAR], has congratulated the Eastern Army for its accomplishments in 1993, when it upheld the status of the best command of the FAR. This was stated during the ceremony marking the beginning of the Eastern Army 1994 defense training year held at military unit No. 2034 in Las Tunas Province. This was due to the fact that this unit and its members performed in an outstanding manner in the province and earned the title of best for 1993. Division General Ramon Espinoza Martin, member of the Central Committee and chief of the Eastern Army, stated that this command, in addition to staying at the national vanguard in defense tasks, attained first place in the Eighth Science and Technology Forum.

More on Raul Castro Remarks to Reporters

FL1501022694 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 15 Jan 94

[Text] As announced, we now feature the statement Army General Raul Castro made to reporters following the ceremony marking the beginning of the Central Army defense training year in Cienfuegos.

[Begin recording] Despite the special situation the country has been enduring for several years and which you know about, in the last three years—to speak in concrete terms—the Revolutionary Armed Forces, the Interior Ministry, and the entire gigantic force of militiamen, [words indistinct] the great army of the people which will be the ones conducting the doctrine of the war of the entire people are aware....[changes thought] Despite this, I repeat, everything we do despite the situation, all the sacrifices, and our limited resources, we continue to develop—from the people's tunnels to the medium and large tunnels, which are part of the preparation of the theater of military operations, part of the entire gigantic effort by our people. All this has grown despite this situation, and there is one single goal: To prepare for war precisely in order to avoid war, which is our dearest hope.

Once we said in a meeting that the most beautiful battle or the greatest victory our people can attain is precisely avoiding war, which for us—we have said this before—is the same as to have won it. [end recording]

Chief of Cuban Navy Visits St. Petersburg

FL1501013494 Havana Radio Rebelde Network in Spanish 0000 GMT 15 Jan 94

[Text] ITAR-TASS has reported that on 14 January Rear Admiral Pedro Perez Betancourt, chief of the Cuban Revolutionary Navy, visited military sites in St. Petersburg during his third day of his visit to Russia. Perez Betancourt is visiting Russia as a guest of Admiral Feliks Gromov, commander of the Russian Fleet. He visited the Kustnezov Naval Academy and the main headquarters of Navigation and Oceanography in the former Leningrad.

U.S. Broadcasters Association Demands TV Marti Closure

FL1501011294 Havana Cuba Vision Network in Spanish 2320 GMT 14 Jan 94

[Text] The U.S. National Association of Broadcasters has demanded that TV Marti, the anti-Cuban television station, be closed. The association has described the station as inefficient and illegal. In statements to a special U.S. Congressional body, created to study the future of TV Marti and Radio Marti, (William Haratuntam), adviser to the National Association of Broadcasters, said that TV Marti violates the international agreements that limit the use of radio and television signals for domestic use only. The so-called TV Marti and Radio Marti have been on the air since May 1985 and March 1990, respectively.

Robaina on Spanish Request To Free Prisoners

PA1501141094 Paris AFP in Spanish 1331 GMT 15 Jan 94

[Text] Harare, 15 Jan (AFP)—Cuban Foreign Minister Roberto Robaina, who is currently in Harare, reacted with annoyance to the Spanish Government's demand that Cuba free six political prisoners before Robaina's next visit to Madrid in March.

"We do not make visits conditional upon someone being released," the Cuban foreign minister told AFP upon arriving in Harare, the third leg of his African tour.

He declared that he was not aware of Madrid's effort but added: "I believe there is someone interested in certain cases in Spain."

"The Spanish leaders have enough relations and experience to know how we have studied and treated this type of case in recent years," Robaina continued. "First, it would be necessary for me to personally receive their request so I can later tell them what I think of it."

Last Thursday, Spanish Foreign Minister Javier Solana gave Isabel Allende, Cuban deputy foreign relations minister, a list of prisoners accompanied by a request for their release. Allende is on a working tour of Spain.

Robaina Denies Secret Relations With U.S.

PA1601140094 Madrid EFE in Spanish 1924 GMT 15 Jan 94

[Report by Nikola Vadjon]

[Text] Luanda, 15 Jan (EFE)—Cuba does not maintain "even remotely" secret relations with the United States other than the existing contacts, Cuban Foreign Minister Roberto Robaina said today in Luanda.

The Cuban diplomat was interviewed by EFE before leaving the Angolan capital, where he was received by President Jose Eduardo Dos Santos and high-ranking officials of the government, parliament, and the government's Popular Movement for the Liberation of Angola (MPLA).

"Current contacts between Cuba and the United States are limited to immigration talks, which have not reached a stalemate; certain Coast Guard-border guard contacts; some joint operations against drug traffickers; and a telecommunications deal that is at a deadlock," Robaina said.

Roberto Robaina emphasized that the new element in Cuban-U.S. relations "is that (President Bill) Clinton's administration has yet to use the aggressive language that characterized relations between the two countries during Republican administrations."

"Even though that doesn't mean much, it is something that may surprise certain people," Robaina said, adding that, personally speaking, he would rather not become "overly enthusiastic."

The Cuban foreign minister said he is frequently asked if, as head of Cuban diplomacy, he does not feel some frustration because some of Cuba's hopes have not been fulfilled—meaning the normalization of relations and a suspension of the economic embargo imposed 30 years ago by Washington for ideological reasons—with the arrival of the Clinton administration.

Robaina said: "I feel no frustration whatsoever, because, personally speaking, I made no plans beyond what is happening and because I understand that the new U.S. Administration is not what it really wants to be."

The Cuban diplomat thinks President Clinton is being subject to heavy pressure, above all from the most "reactionary" members of the Cuban community in the United States, who preclude any constructive steps toward Cuba.

Without mentioning U.S. black leader Jesse Jackson's recent visit to Cuba, the Cuban minister, who is visiting Angola for the first time since he replaced Isidoro Malmierca in the post last year, admitted that "there are other nobler areas" where work can be done concerning the United States.

He said the goal is to create an appropriate atmosphere to someday allow the emergence of much more important elements of the U.S. people and to encourage the normalization of relations between these two countries, which are separated by a mere 150 km of sea.

Robaina said Latin America and Cuba are no longer a "priority" for the U.S. Administration, although he admitted that the situation could change given the complex international situation.

The minister said Cuba is willing to talk about the normalization of relations if the United States does not come to the negotiating table with "conditions or stipulations," adding that no one in his country would accept "subordinate conditions."

"We are prepared to discuss any topic (with the United States) because we believe anything can result if we talk about any given issue," Robaina said, but our "independence, sovereignty, and ability to state our own opinion" will not be on the negotiating table."

The Cuban diplomat said negotiations concerning the normalization of relations "should not begin with the most complicated issues," because an appropriate atmosphere must first be created.

Robaina said that Cuba believes that "nothing has been gained" by submission. "Life gave us the privilege of seeing that those who began by giving in were compelled to continue down that road, even when they had little left to give."

Moreover, Robaina said that during his visit to Angola his hosts told him about the current peace talks in Lusaka between the government and the National Union for the Total Independence of Angola (UNITA) guerrilla forces.

He said they also analyzed the possibilities of increasing cooperation between Luanda and Havana "on a new basis."

Robaina, who has already visited Ghana, today traveled to Zimbabwe. He will later visit Zambia and Namibia.

Over 350,000 Cubans went to Angola over a 15-year period as part of the so-called "internationalist missions."

Cuba withdrew its troops from Angola after signing tripartite agreements in New York in 1988. The agreement did not bring about a normalization of relations with the United States, one of the guarantor countries.

Commentary on Improved Ties With Canada

PA1601165294 Havana Radio Havana Cuba in Spanish 0000 GMT 15 Jan 94

[Roberto Morejon commentary from the "Evening Information Review" newscast]

[Text] Nova Scotia Prime Minister John Savage said upon arriving in Havana last Monday that he was heading a delegation of representatives from 17 firms for the basic purpose of discussing trade. Upon ending the visit, however, Savage said it had met and surpassed his goals.

Savage and his entourage were received by Cuban President Fidel Castro, and Savage showed his great sensibility as a person and a doctor. He was impressed with the Cuban people's determination to move ahead and overcome the current economic crisis. Savage, who won the post of prime minister for the Liberal Party last May, presides over the government of a province of the Canadian Atlantic Coast, 80 percent of which is forest land. The province has great hydroelectric potential and is noted for its fishing.

The experience of visitors in this area will serve to promote the recently signed fishing accord with Cuba as well as to analyze additional operations. Not only did both parties sign accords on fishing, but Canadians and Cubans established a passenger cruise service for tourists. They also decided to create a mixed enterprise to produce soap, and Cuba agreed to purchase Canadian wood while Nova Scotia will receive Cuban citrus.

In addition, Savage and his delegation showed interest in the current transformation process of Cuban agriculture, evaluated the prospects for greater Canadian participation in mining, and drafted other mixed enterprise projects with Cuba.

Savage termed the visit by he and his entourage as advantageous and very fruitful. For Cuba, it represents an opportunity to expand ties following the loss of its traditional commercial partners.

This visit, the first to Cuba by a Canadian provincial prime minister in 17 years, also contributed to coordinating future cooperation in developing ecological tourism, one of the basic objectives of tourism in Cuba, which has been given priority by the authorities.

The contacts proved that the relations initiated have potential to expand to such areas as culture as well as to increase in the areas of economic associations and investments. The businessmen from Nova Scotia and other Canadian regions are not prepared to lose the commercial opportunities offered by Cuba, which represent mutual benefits, at the hands of increased U.S. pressure to frustrate any commercial negotiations to which Cuba is a partner.

We cannot forget that the Canadian Government maintains a respectful attitude toward Cuba, that the island represents its fourth largest trading partner in America, and that 22 of the 112 commercial associations operating in Cuba with foreign capital are Canadian.

Havana Radio Interviews Robaina in Angola

FL1501024694 Havana Radio Rebelde Network in Spanish 0000 GMT 15 Jan 94

[Telephone interview with Foreign Minister Roberto Robaina in Angola by Radio Rebelde reporter Jose Mejia—live]

[Text] [Mejia] I appreciate Celia Guido's help in making this call. Exclusivo Program listeners, we have made direct contact with Angola. To be more specific, we have made direct contact with Cuban Foreign Minister Roberto Robaina who is at the Presidente Meridian Hotel in Angola. Robaina arrived in Angola yesterday as guest of the Angolan Foreign Ministry.

Comrade foreign minister, what are you and your delegation doing on this visit to five African countries. We know that you started your tour in Ghana on 11 January, that you are in Angola, and that you will be visiting other African countries. This is a live interview on Radio Rebelde's Exclusivo Program in Havana.

[Robaina] This visit to Angola is part of a tour that began in Ghana. Our visit to Angola ends tonight; as a matter of fact the visit to Angola will end in a few hours with a news conference we will hold at the airport prior to departure. We are leaving in the morning for Zimbabwe. From there we will go to Zambia and then Namibia. After Namibia we will be headed back to Cuba. We are all anxious to be back home.

This tour, as we have said, is also an offensive we have launched. We have come here to explain our situation. We have come here to explain the problems our people are confronting and how we are solving them. We carried out a similar task in Latin America and in the United States as well.[as heard] We are here at the invitation of several African foreign ministries.

[Mejia] I see.

[Robaina] On an African tour we could not overlook a visit to Angola. Angola is very important for Cuba. Strong ties and historic ties link us to Angola.

We have fulfilled a broad program. Our greatest success, what I consider to be the most important, is that the governments, the press, and the solidarity associations have given us the necessary space to talk about what we are doing in Cuba and what motivates us to resist and to seek solutions to the problems we confront. Above all, this visit has allowed us to learn first hand of what is going on in our Africa. I am not saying my Africa because it is our Africa as a result of the ties that join us. It has been hard work. However, the work our people are doing back home is even harder than the work we are doing. No number of meetings, interviews, can compare to the work our people are doing at home.

[Mejia] Foreign Minister Robaina, you are back in Angola. In 1989 you were in Lubango and (?Kahama). Does this visit mean something special for you?

[Robaina] Yes. This visit is special for Cuba, the Foreign Ministry, and for me in particular. I cannot forget that the most important part of what I have learned in life was learned in this country. I am speaking of my military life. The experiences I shared in Angola with Cuban and Angolan youths have a very special meaning for me. I have seen many of the people I met during those difficult and complex times. This is something that one does not forget that easily, and something that I do not plan to forget. Quite the contrary.

[Mejia] Comrade foreign minister, I know there is a six-hour time difference between Havana and Angola. At this very moment it is 0124 in Angola. Please tell us how the Angolan press has covered your visit to Angola.

[Robaina] The press is a faithful reflection of our visit. I have found much understanding and respect. Many people are interested in learning what is happening in Cuba. I think that it is important that our people know that we have many friends here. The situation the Angolans are confronting domestically is very difficult, and they admit it. However, they trust that they can overcome these problems. The Angolan people, leaders, and the president himself have wished the best for the people of Cuba. I am leaving Angola much more convinced that our commitment is not only with the 10 million inhabitants of our island; our commitment is also with many honest men and women of this world—honest men and women on this continent and in this country. They respect us. They agree that Cuba, despite the difficult times it is experiencing, should be allowed to speak and be heard.

[Mejia] Thank you very much, Foreign Minister Robaina.

Arrives in Zimbabwe 15 Jan

FL1601201694 Havana Radio Rebelde Network in Spanish 1800 GMT 15 Jan 94

[Text] Cuban Foreign Minister Roberto Robaina arrived in Zimbabwe today on a three-day visit. This visit is the third stage of a tour he is making of five African countries.

Robaina was met at the airport by (Estanislus Chiwedere), permanent secretary of the foreign ministry, who highlighted the two nations' common interests. In his welcoming speech, this high-ranking official said he was welcoming the representative of a nation that has shown solidarity toward Zimbabwe ever since Zimbabwe was struggling for independence, and with which (?it) shares many positions.

Robaina, for his part, said his visit was in response to the interest in explaining how his people live and work and in exchanging mutually beneficial experiences.

Robaina had earlier been in Angola, where he had talks with high-ranking Angolan officials. Those talks have been described as very fruitful. Shortly before leaving Angola, the Cuban foreign minister held a news conference. Here, from Luanda, is journalist (Issac Nenei).

[(Nenei)]—live] As we said, he left Luanda this morning on his way to Harare, the capital of Zimbabwe, continuing his diplomatic offensive through southern Africa. Namibia and Zambia will be the last countries he visits. The objective of this visit is, as we have already said, to explain what is happening in Cuba and, at the same time, to find out what is happening in this part of the world.

[Begin recording] [Robaina] I am really leaving with the satisfaction of having been able to carry out, in a short time, an intense program. But I am also leaving with the satisfaction of now being highly informed, and brought up to date, about a reality that my people follow very closely.

We Cubans follow very closely what happens in Angola; and, truly, since we know that the Angolans also follow very closely what happens in Cuba, we have tried to give them as much information as possible.

[Unidentified journalist, speaking Portuguese] What does Cuba expect (?to obtain) from Angola and other African countries?

[Robaina] Cuba expects from Angola and other African countries what we expect of the world. And although some may think that what we expect from Angola and the world, or of any country in particular, is the solution to our problems....[rephrases] Please, the solution to Cuba's problems depends first of all on the Cubans themselves, and on a mechanism that Cuba maintains with many in the world. Cuba expects, from Angola and from the world, what Cuba also advocates for the world: understanding and respect. Simply that.

[Unidentified journalist, speaking Spanish] As regards the crisis Angola is experiencing right now, Robaina, who is a member of the Politburo of the Communist Party of Cuba, said that the Cuban people hope Angola will solve its problems [word indistinct]. [end recording]

[(Nenei)] From Luanda, this is (Issac Nenei) for the National Radio Newscast in Cuba.

[In a similar item, Radio Havana Cuba in Spanish on 16 Jan at 1300 GMT reports that Robaina said that Cuba wants to establish stronger economic ties with various countries as part of its policy to neutralize the effects of the U.S. blockade and the collapse of socialism in Eastern Europe.

Robaina said Cuba is seeking mutually beneficial cooperation, a principle that is the basis for the country's opening to foreign capital and the establishment of joint enterprises. In statements to the media, Robaina rejected reports of a possible barter of Cuban weapons for Angolan petroleum.

Robaina will head for Zambia and Namibia following his visit to Zimbabwe].

Further on Zimbabwe Visit

FL1701020094 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 17 Jan 94

[Text] Foreign Minister Roberto Robaina affirmed today in Harare that the greatest satisfaction for our friends in Zimbabwe is not the material aid but what they do in the human and emotional sense for Cuba. During a meeting with the leadership of the Cuba- Zimbabwe Friendship Association, Robaina stressed the [words indistinct] of the Cuban people to confront difficulties. Robaina also engaged in a fraternal dialogue with Cubans who work and live in Zimbabwe, and he conducted a work meeting with the chiefs of the diplomatic and cooperation missions accredited in Zimbabwe.

Next, Robaina will visit Zambia and Namibia.

Report on News Conference in Luanda

FL1701154194 Havana Radio Rebelde Network in Spanish 1255 GMT 17 Jan 94

[Report by (Africano Neto) from Angola—live or recorded]

[Text] Radio Rebelde listeners, greetings from Luanda, the capital city of Angola.

Reactions to Cuban Foreign Minister Roberto Robaina's visit to Angola continue to be heard. The Angolan media continue to report on the importance of Foreign Minister Robaina's statements during a news conference on 15 January, moments before leaving for Harare, Zimbabwe. Asked to describe the relations between Cuba and the United States, the young foreign minister said:

[Begin Robaina recording] You can describe relations between two countries when relations exist. When there are no relations, you cannot describe them. There are no relations between Cuba and the United States. Since there are no relations between Cuba and the United States, relations such as the ones we enjoy with Angola and many other countries, I can say nothing about them. The U.S. issue always seems to come up, wherever Cuba goes. However, I am always willing to discuss this issue. As far as Cuba is concerned, the U.S. foreign policy has not changed. We are convinced that Latin America and Cuba are not priorities for the new U.S. Administration. The U.S. Government has many domestic problems it must solve, and it is being pressured domestically to ensure that it will not normalize relations with Cuba.

Regarding the United States, Cuba will reiterate what it has always said. Cuba is willing to sit down and talk with the whole world, as well as with the United States. However, this is based on one thing: absolute respect. If absolute respect does not prevail, then we have nothing to say to the United States. If they want us to sit at a negotiating table as subordinates, we will not go. We are willing to broach the most difficult issues—we are even willing to begin discussing the less complicated issues—as long as there is absolute respect. Cuba is begging no one to talk to us; Cuba is imploring no one to talk to us. Cuba simply states on what basis it is willing to talk. If this condition is respected, then we would have no objection to sitting down to talks.

The only sign of interest we detect in the new U.S. Administration is the fact that the new U.S. Administration does not use the aggressive language used by previous U.S. Administrations. I do not think this is much. It could be something, and perhaps something may come of it, but there is no reason for us to be overjoyed. [end recording]

This was what Foreign Minister Roberto Robaina told local and foreign reporters during a news conference held at the Luanda International Airport shortly before leaving Angola. Robaina said that Cuba will not negotiate as a subordinate.

Robaina also answered other questions for the reporters. One question had to do with the vast political, economic, and social changes being made in Cuba. Robaina also mentioned that the Cuban people are allowed to possess dollars. Robaina said:

[Begin Robaina recording] Cuba is undergoing very important changes. We would have to define what big changes really are. Big changes can be interpreted in one way or another. I believe the situation is extremely difficult and complex. We are undergoing a process of industrial change as well as changes in our foreign economic relations. We are doing this in the short term. Doing this in the short term has been extremely complex. Our task is more difficult because we are doing this amid a brutal blockade, harassment, and relentless persecution.

Regarding unrest, I am happy to say that we are a people who enjoy great calm. We have political discussions. We are currently undergoing strong political discussions. My country is currently facing difficulties and making changes; therefore, it is only natural that there should be discussions and very difficult times. However, I do not believe that the decriminalization of foreign currency is the most difficult issue we have broached. There are many other more important things we have discussed. For example, the economic changes we are undergoing. Some of these economic changes are: foreign investment, giving land to peasants and workers in exchange for their work, self-employment, and decriminalization. All these things must be discussed. Whenever so many topics are broached, various opinions will be expressed. However, the most important thing is that we are capable of doing this and we are doing this. This is the situation we are currently experiencing in Cuba.

Cuba chose to follow a path. We believe that even though the world we live in is a difficult world. We believe this world has changed. Cuba, however, will join that world. Cuba is willing to join that world without giving up certain principles. Cuba will not negotiate its sovereignty and independence, and we will never give up our right to be heard. We will not take steps backward in the fields of education, health, science, social security, and social justice. We will not negotiate those areas where we have made important progress. [end recording]

These were statements by Cuban Foreign Minister Roberto Robaina during a news conference held on 15 January in Luanda. Robaina said that Cuba will not negotiate such fields as health, education, culture and sports, in which important progress has been made.

Back to Radio Rebelde now. This was Africano Neto.

Meets Zimbabwean Acting President

FL1701191394 Havana Radio Rebelde Network in Spanish 1800 GMT 17 Jan 94

[Report by PRENSA LATINA correspondent Eduardo Rodriguez from Harare]

[Text] Foreign Minister Roberto Robaina delivered a message from President Fidel Castro to Zimbabwean Acting President Simon Muzenda. Muzenda and Robaina held a short meeting at the Zimbabwean Executive Offices in Harare.

With this meeting, Robaina began the third and last day of his official visit to Harare. Robaina arrived in Harare on Saturday from Angola. This visit is part of a two-week tour of the African continent. The head of Cuban diplomacy will travel to Lusaka, Zambia tomorrow and from there to Namibia, the last leg of his tour, which also included Ghana and Angola.

Foreign Minister Robaina also met today with Zimbabwean Foreign Minister Nathan Shamuyarira. Shamuyarira described relations between Cuba and his country as excellent and expressed his hopes that bilateral exchange will be strengthened. The Zimbabwean foreign minister recalled that Cuba had done much for Africa, and that now the African countries must offer their support to a country facing difficult times. The Zimbabwean foreign minister encouraged an increase in contacts between the ruling ZANU-PF [Zimbabwe African National Union-Patriotic Front] and the Communist Party of Cuba and expanded cooperation and commercial exchange in other areas.

1993 Crime Shows Increase

FL1701211594 Havana Radio Rebelde Network in Spanish 1800 GMT 17 Jan 94

[Report by Josefa Bussi]

[Text] The highest government and party leaders have said that 1993 was the most difficult year for our country. The lack or absence of basic products and services and the excess of currency, among other problems, affected the people and boosted black market activities, discouraged people from going to work, and created an overall high degree of social indiscipline. As a result of this and other problems, by mid 1993 the difficulties worsened and crime, in all its forms, increased, as did enemy activities and vandalism. In light of this situation, the mechanisms of the Sole Surveillance and Revolutionary Combativeness System were reactivated at all levels.

In Havana, where more than 30 percent of the crime occurs, more than 2,700 citizens were arrested, representing more than 84 percent of the cases brought to trial. One of the most frequent crimes that affected the people the most was the stealing of bicycles. The number of these crimes has dropped significantly, especially in Havana Province, City of Havana Province, Sancti Spiritus Province, and Matanzas Province. According to specialists of the National Revolutionary Police General Directorate, the number of crimes, such as assaults, forceful entry, and cattle rustling, and other economic crimes, has dropped. Likewise, homicide and assaults have decreased.

Although, after analyzing some of the statistics resulting from the work done by the Sole Surveillance System with the support of the people, we cannot say that there has been a decrease in crime, I do agree with the specialists that criminal activity has been curbed and that the people are more secure.

We are beginning 1994, a year in which the causes for crime will continue. Therefore, it has become necessary that in addition to the preventive and coercive measures being implemented, the causes for crimes be pinpointed and alleviated so that the revolutionary and hard working Cuban people will remain secure, something to which they have been accustomed for the past 30 years.

Social Security Budget To Increase

FL1701212794 Havana Radio Reloj Network in Spanish 2046 GMT 17 Jan 94

[Text] The resources which the State Committee for Labor and Social Security has allocated for pensions, retirement benefits, and loans for 1994 is approximately 1.8 billion pesos. This figure surpasses the 1993 expenses, which benefited over 1.383 million people despite Cuba's dire economic difficulties. Social Security accounts for the biggest portion of the expenses and recipients since it includes pensions, retirements, disabled workers, and maternity and sick leave. The loans to low income people, including single mothers and the elderly who receive these benefits in the form of food and services, surpassed 36 million pesos in 1993.

TRABAJADORES Stresses Social Security 'Guarantee'

FL1801022394 Havana Radio Rebelde Network in Spanish 0000 GMT 18 Jan 94

[Text] Social Security subsidies are a guarantee consubstantial with the humane nature of the Revolution and the life-long dream of several generations. This is why they will never be eliminated. This was explained in the newspaper TRABAJADORES, which also explained the difference between subsidies to enterprises and social security benefits. The newspaper stressed that subsidies are given to state enterprises to make up for losses and drops in prices. Social security subsidies, on the other hand, are money allowances given to workers when they are disabled, either temporarily or partially, due to illness or accidents.

Inter-Caribbean Affairs

Jamaican, Guyanese Trade Ministers Discuss Cooperation

FL1501184194 Bridgetown CANA in English 1630 GMT 15 Jan 94

[Text] Kingston, Jamaica, 15 Jan, CANA—Jamaica and Guyana are exploring ways to strengthen cooperation between the two countries in trade investment promotion.

The state news agency Jampress said the effort, which will include joint projects between the two nations, was the focus of discussions between Jamaica's foreign affairs and foreign trade minister, Dr. Paul Robertson and Guyana's trade, investment, and tourism minister, Michael Shree Chan, this week.

Robertson pledged Jamaica's support for Guyana's efforts to develop trade and investment promotion mechanisms and to cooperate in other areas of natural interest in the economic sphere.

The two ministers discussed the long-standing relations between their two nations and economic measures being undertaken to liberalise their economics and gear them to meet the challenges of the new global economy.

Dominica

Government Undecided on Vote for OAS Head

FL1501183994 Bridgetown CANA in English 1612 GMT 15 Jan 94

[Report by Ken Richards]

[Text] Roseau, Dominica, 15 Jan, CANA—Dominica has not decided which candidate it will support in a late March vote for a new secretary general of the Organisation of American States, according to Foreign Minister Brian Alleyne.

He told the Caribbean News Agency Dominica might go it alone, even though it was fully supportive of the strategy of using the Caribbean Community bloc vote to influence events at the international level.

"Dominica is still undecided," he admitted.

This followed reports that Caricom is throwing its weight behind Costa Rica's Foreign Minister Bernard Niehaus, for the post of secretary general of the OAS, to succeed Brazil's Joao Clemente Baena-Soares. Miguel Angel Burelli-Rivas of Venezuela is the other known candidate.

According to Alleyne, the government here is still considering which way its vote will go at the March 27 special General Assembly when the new secretary general will be elected.

"Our concern here is the interest of Dominica, and we're very conscious, very aware of the positions of various Latin American countries on the banana issue, which is a critical issue for the future of Dominica, the economy, and the life of its people," Alleyne said. "We have great difficulty supporting countries which have shown a total disregard for these crucial interests.... "Virtually every Latin American country, in fact, has taken a position which is contrary to our crucial interest."

He said Dominica had taken the opportunity at Caricom forums to emphasize this difficulty in supporting Latin American countries not sympathetic to Dominica's banana problems. Banana-producing Latin American countries are trying to gain a larger share of the European market, a move Dominica and the other Windward Islands fear might destroy the Caribbean banana industry.

Dominican Republic

* Unemployment: Men 11 Percent, Women 46.7 Percent

94CA0054A Santo Domingo EL SIGLO in Spanish 2 Nov 93 p 95

[Article by Margarita Cordero]

[Text] About a million individuals capable of working are currently unemployed in the Dominican Republic. According to the population projections drafted in 1991, based on the data on the labor force in the Demographic and Health Survey (ENDESA-91), [illegible] domestic population in the economically active category was about 3.7 million. Males accounted for 2.2 million of this figure, and females for 1.5 million.

There is no great variation in the unemployment situation between the rural and urban areas, although the percentage of the workers who are unemployed is slightly higher in the latter.

When the unemployment figure is broken down by sex, however, the women's situation clearly reveals their social disadvantages. While only 11 percent of the men are unemployed, this is the case for 46.7 percent of the female population.

And there is one fact that would be hard to believe if it were not well-documented. Unemployment is higher among those with high-school education than among those without.

The data in question are contained in the monograph entitled "The Labor Force in the Dominican Republic," edited by demographer Nelson Ramirez. This study was based on the results obtained in the Demographic and Health Survey carried out by the Institute for Population and Development Studies (IEPD), one of the entities of the Dominican Association for the Welfare of the Family (PROFAMILIA).

A novel method was used to measure the levels of popular participation in economic activities and the unemployment rates. In an approach different from those traditionally used, the ENDESA-91 included in the unemployed category "not only the individuals who were looking for work during a reference period (the week preceding the survey) and those who plainly declared themselves to be unemployed, but also all the individuals prepared to work for pay or profit."

With this approach, the survey regarded as unemployed all those individuals who want to work but were not seeking employment because of their conviction that they were unlikely to find jobs (a group with significant weight in the underdeveloped societies).

Thus the rates determined as a result of this study differ from those based on the figures in the population census. Nor are they the same as the figures obtained in the occasional manpower surveys carried out by government bodies and organs.

At the time the ENDESA-91 was completed, 67.9 percent of the population 10 years of age or older was included in the figure representing the total manpower available for the production of economic goods and services. Eighty percent of the men and 55 percent of the women were included in this figure.

All of the figures agree in showing differences between the levels and forms of participation in economic activities between men and women. A breakdown by age shows that the rates of male participation are on "a very high level up to the ages of 50-54 (and up to even higher age brackets in the rural areas), while the rates of participation for women begin to decline as of the age of 40."

The data pertaining to child labor, especially the employment of males, is pertinent. According to the ENDESA-91, "one out of every two boys between the ages of 10 and 14 is on the labor market."

The same high rates are seen for men 65 or more years of age. In this bracket, six out of every 10 are still economically active. In the rural areas, the figure is seven out of 10.

"The shortcomings from which the socioeconomic systems in general, and the educational and social security systems in particular, are suffering" constitute the corollary.

In terms of education as a condition for participation in economic activity, the differences between men and women become significant. While for males "the level of economic participation seems to be independent of the number of years of study completed, a clearly defined positive relation is seen for the female population in this regard. The higher levels of participation in the labor market correspond to higher levels of education."

Although significant, the unemployment rates for men and women obtained in the ENDESA-91 survey are less dramatic than those based on the traditional methods of measuring this phenomenon.

Naturally, the study warns that these more positive rates pertain exclusively to occupational levels "and not necessarily to the quality or productivity of the work done."

In this connection, the possibility that "within a context of increasing social crisis and serious deterioration of the purchasing power of the population, larger population segments have been forced to enter the labor market—even if only by means of self-employment in marginal activities—in order to cope with this situation" is noted.

A similar inference might be made for the female population. If there is no visible impact on the rates of participation as a result, the explanation might be that the increase in the level of employment "is concealed within the much larger increase in the labor force (and in the number of unemployed workers)," or is obscured by the new conceptual method used to describe the economically active population (EAP).

Although an increase in the employed population (for both sexes) has been seen in recent decades, the increase between 1981 and 1991 has been by far the most notable.

The other side of the coin, that is to say unemployment, has afflicted urban males more than those in the rural sector, while the situation is the reverse for females.

"In connection with these figures, it should be noted that in both sectors and for both sexes, the clear unemployment picture for the younger population segment is much more serious than the situation of those in the middle or older age groups. In fact, the rates are relatively low for men over 30."

The fact that individuals with less education have a lower rate of unemployment than individuals with a high-school education might be linked with the fact that the former group is "more urgently forced to engage in self-employment in informal activities as a strategy for survival."

However, a comparison of the individuals who have had a high-school education with those who have university backgrounds shows a more positive balance for the latter. According to the ENDESA-91 survey, the reason for the difference is to be found, on the one hand, in the fact that individuals with a university education have a greater need to work in order to pay for their studies. And on the other hand, the incorporation of a large number of the individuals who have completed professional training in productive activity is "facilitated by the level of training achieved and the greater readiness of these individuals to work."

In studying the unemployed population (those seeking jobs or wanting to work), the ENDESA-91 found that "23 percent had been in that situation for one month, another 27 percent for between one and five months, and 9 percent for between six months and a year, while the remaining 41 percent had been unemployed for a year or more (two or more years for the majority)."

Finally, the survey pointed out that this last percentage (individuals unemployed for a year or more), which is made up principally of the majority segment of the unemployed not seeking work, provides an indication of the rigid nature of the supply of productive jobs."

Rates of Economic Activity by Age and Sex Categories

(in percentages)

National Totals

Age Category	Males	Females
10-14	49.1	23.9
15-19	78.0	57.5
20-24	89.0	73.2
25-29	94.6	73.7
30-34	96.8	73.7
35-39	94.3	75.2
40-44	96.2	68.5
45-49	94.6	60.2
50-54	95.0	45.0
55-59	87.7	38.9
60-64	86.1	28.6
65 or older	59.2	16.2

Rates of Unemployment in the Population 15 Years of Age or Older

(in percentages by level of education and sex)

Level of Education	Both Sexes	Men	Women
None*	17.9	5.1	44.8
1-4 years primary school	22.0	6.6	47.3
5-8 years primary school	28.0	10.9	50.0
High school	30.6	15.0	47.1
University	17.8	8.6	26.5

*Preprimary schooling included

* Jan-Sep Income Tax Revenues Up 16.5 Percent

94CA0054B Santo Domingo EL SIGLO in Spanish 26 Oct 93 p 1-D

[Article by Jose Mercedes Feliz]

[Text] In the first nine months of this year, the Income Tax (ISR) Office collected 3.5365 billion pesos, representing an increase of 16.5 percent over the comparable period in 1992.

According to the figures provided by this office for the period between January and September last year, the sum collected came to a total of 3.035 billion RD [Dominican pesos].

The Income Tax Office has estimated the total to be collected throughout the year will be 4.1879 billion RD, so that only 651.4 million RD remain to be collected.

The sums collected are obtained from the income tax imposed on natural persons, companies, supplementary remuneration, and withholding agents; from the general sales tax and the tax on services; from inheritance and gift taxes; and from the taxes on housing and luxury premises.

In the period between January and September of 1993, the total collected from natural persons came to 51.2 million RD. This figure was down 41.5 percent from that for the comparable period of last year, when the total collected was 87.6 million RD [sic].

This was the only category in which the sums collected showed a decline during the first nine months of this year.

From January to September of 1993, 1.3808 billion RD was collected from companies. This sum represents an increase of 2.7 percent over the figure for the comparable period in 1992, when the total collected was 1.344 billion RD.

During the first nine months of this year, the sum collected from supplementary income was up 150.7 percent, with an increase from 6.5 million RD for the period between January and September 1992 to 16.3 million RD for the comparable period in 1993.

Between January and September of this year, withholding agents contributed 977.5 million RD, representing an increase of 15.2 percent over the figure for 1992, when the total was 666.6 million RD.

The total obtained from all income categories was 2.426 RD, up 15.2 percent from the 1992 total, which was 2.1049 billion RD.

The general sales tax brought in 1.0794 billion RD in the period between January and September of this year. This represents an increase of 18.6 percent over the figure for the comparable period in 1992, when a total of 909.4 million RD was collected.

The Income Tax Office collected 15.4 million RD in inheritance and gift taxes. This represents an increase of 71.1 percent over the figure for the comparable period in 1992, when the total came to nine million RD.

The tax on housing and luxury premises contributed 15.5 million RD in the period between January and September 1993. This represents an increase of 33.6 percent over the figure for the comparable period last year, when the sum collected was 11.6 million RD.

Where the ITBI [general sales tax] is concerned, the authorities have emphasized the need to take action against the businesses that are collecting this tax from the customers but failing to pay it into the treasury.

This branch of the Secretariat of State of Finance has indicated that it is setting in motion a program designed to effect direct control at the sales outlets of the establishments suspected of concealing the sums they are taking in.

Haiti

Malval Ministers Immobilize State Operations

FL1401173994 Port-au-Prince Radio Metropole in French 2000 GMT 13 Jan 94

[Text] The ad interim Prime Minister Robert Malval is unable to assemble his ministers. According to an informed source, the government is reportedly immobilized due to Mr. Malval's inability to assemble a majority of the government's members. At least six members of the team that resigned 15 December have reportedly refused to participate in the ministers council convened by Robert Malval.

This situation involves the ministers who dissociated themselves from Mr. Malval following the leak of a letter addressed to the president of the Republic, Jean-Bertrand Aristide. The government is reportedly unable therefore to take measures to execute decisions related to certain day-to-day matters of state.

ACP Regains Chamber Control; Monde Elected President

FL1401171494 Port-au-Prince Signal FM Radio in French 1130 GMT 14 Jan 94

[Text] As of 13 January in the Haitian parliament, it is Frantz Robert Monde, author of the clean-sweep policy [politique de la table rase] who now occupies the position of head of the Chamber of Deputies.

Monde, who has coveted the presidency of the chamber since the beginning of the legislature, has acquired the post thanks to a compromise by the socialists, and by members of the Alliance for Parliamentary Cohesion, ACP, to the detriment of outgoing President Antoine Joseph of the Movement for the Establishment of Democracy in Haiti.

The National Front for Change and Democracy [FNCD] parliamentarians admit that they are dissatisfied with this choice. In the opinion of some, this election confirms the strong tendency toward the clean sweep prevailing in the Chamber. Difficult days are expected. Bob Monde is a resolute, avowed, fierce opponent of exiled President Jean-Bertrand Aristide. Several FNCD and centrist parliamentarians say they fear the future with such a choice. Bob Monde will be assisted by socialist Mac-Ferl Morquette as vice-president. It is Emmanuel Reyme, the Haitian Christian Democratic Party man, another fierce opponent to the exiled president, who has been elected first secretary. The ACP has thus resumed control of the chamber.

Group Threatens Actions if Demands Are Not Met

FL1501010794 Port-au-Prince Signal FM Radio in French 1130 GMT 14 Jan 94

[Text] Haitian citizens met in a national committee for the resolution of the crisis and plan to go into the streets on 21 January in order to require the forming of a government of national agreement and the lifting of the embargo. The committee threatens to invest an executive [words indistinct] if its demands are not taken into account. After 28 months of murderous crisis, says the committee, the solution is the streets, asserting that it is possible to have the unfair punishment inflicted by the international community on the Haitian people stopped through nonviolence. According to the committee, it is not good to witness the collapse of our social and cultural life, of our national economy, and of the actual and daily sacrifice of many thousands of Haitians. The committee hopes to mobilize all vital forces of the nation throughout the nine geographic departments of the country.

Miami International Conference Previewed

FL1501010694 Port-au-Prince Radio Metropole in French 1145 GMT 14 Jan 94

[Excerpt] The news this morning is the total uncertainty regarding Army participation [in the Miami conference]. Also, there is no official representation of the Chamber of Commerce of Haiti and of the private sector in general, hours from the opening of the conference convened by the president-in-exile. Great confusion appeared to prevail on 13 January regarding the participants. However, according to Ambassador Jean Cassimir, everything is ready for the inauguration of the work meetings, which will last three days.

The American special representative on the Haitian crisis, Ambassador Lawrence Pezzullo, and the OAS secretary general will attend the meetings. Rothschild Francois, Jr. reports live from Miami:

[Begin Francois recording] Good morning! It is at the Intercontinental Hotel, located in the middle of Miami, where, tonight at 2000, the international conference convened by President Jean-Bertrand Aristide opens. The participants will tackle the crisis in Haiti, the human rights situation and the problem of the refugees.

President Aristide arrived in Miami the afternoon of 13 January and will open the conference tonight.

The international personalities who will take part include OAS Secretary General Joao Clemente Baena Soares, mediator Dante Caputo, representatives of the Four Friends of Haiti and the UN secretary general, and Lawrence Pezzullo, American State Department special envoy on Haiti.

On the Haitian side, the Army will probably be absent from this conference as well as the private sector. According to information collected on the spot in Miami, this conference should in principle gather the majority of the sectors in favor of President Aristide.

According to the agenda issued by the Haitian Embassy in Washington, the conference will really start on 15 January with a speech by the OAS secretary general, who will talk on democracy and the OAS.

On his part, President Aristide will discuss the restoration of democracy in Haiti. Mediator Dante Caputo will also be invited to speak on 15 January.

The participants will then gather in workshops. They will have to speak on the implementation of the New York pact and on the contribution of the parties to the restoration of democracy in Haiti. Another workshop will analyze the subject of reviving the economy .

On Sunday, 16 January, the last day of the conference, the participants will raise the situation of human rights in Haiti, the social crisis, the crisis of the refugees, as well as the contribution of the parties to the restoration of democracy. The invited speaker is Jeremie Bishop Willy Romelus, considered a close supporter of President Aristide.

The closing of the Miami international conference is planned for Sunday night with a speech by President-in-exile Jean-Bertrand Aristide. In Miami, the president's supporters have already mobilized. They intend to renew their support to the head of state by holding demonstrations over the weekend. [Passage omitted] [end recording]

Chamber President Proposes National Conference

PA1801045194 Mexico City NOTIMEX in Spanish 0134 GMT 17 Jan 94

[Text] Port-au-Prince, 17 Jan (NOTIMEX)—Frantz Robert Monde, recently elected Chamber of Deputies president, backed today the initiative of deposed President Aristide to form "a government of concord" and proposed summoning a national conference in Haiti.

"The meeting organized by President Aristide is a positive step in the search for a solution to the crisis but should be followed up with a national conference to take place in the country," explained Monde, a well-known neo-Duvalarist legislator.

In December President Aristide rejected a national conference in Haiti, citing inadequate security for participants. This was one of the most conflictive topics between Aristide and his prime minister, Robert Malval.

The Haitian conference held this weekend in Miami, Florida, to search for ways out of the political crisis in Haiti, concluded Sunday night with a call by deposed President Jean-Bertrand Artistide for the unity of the Haitian people.

The proposal by the Chamber of Deputies leader received the support of former Haitian President General Prosper Avril, who broke his long silence to ask that a national conference be held.

Avril, who had refused to summon elections during his term, was forced to leave power in 1989 due to U.S. pressures.

One of the recommendations of the Miami meeting that concluded last night is that the president should organize a national conference once he returns to the country.

Meanwhile, oil sent by the international community to Haiti last week has not yet began to be distributed. The oil is intended to allow humanitarian organizations to distribute medical attention to the most vulnerable citizens in the crisis.

Political observers in Haiti believe this situation is due to pressures exerted by the military and opposition sectors so that the international community will lift the oil embargo.

According to sources close to the military, the international community and the U.S. Embassy in particular are seeking an agreement with the military that could include the concession of part of the cargo.

The State Department and the United Nations have supplied different figures on the oil carried by the tanker. The State Department mentions 400,000 gallons of oil, while a UN spokesman has announced that the cargo amounts to 300,000 gallons. "Indeed, 400,000 gallons of oil had been requested, but after evaporation, less the oil burned during the voyage and during operation in port, the remaining oil could well be only 300,000 gallons," explained Erick Falt.

Some observers believe that the 100,000 gallons that "evaporated" have been given to Police chief Michel Francois, to ensure his "cooperation" in the distribution of fuel to humanitarian organizations.

St. Kitts and Nevis

Eustace John Sworn in as Nevis Deputy Governor General

FL1701181094 Bridgetown CANA in English 1510 GMT 17 Jan 94

[Text] Basseterre, St. Kitts, 17 Jan, CANA—A career civil servant, Eustace John, has been sworn as the new deputy governor general of Nevis. He succeeds the late Weston Parris, M.B.E. who died in office almost two years ago.

John was sworn in by resident Puisne judge, Velma Hylton, in the presence of prime minister Dr. Kennedy Simmonds, Nevis Premier Vance Amory, family members, friends, and well wishers.

The new deputy governor general is a former director of audit. He was also general manager of the state-owned ZIZ Radio and Television. John holds a certificate in Mass Communications from the Caribbean Institute of Mass Communications (Carimac) at the University of the West Indies (UWI) Mona Campus.

Prime Minister: Government Will Not Resign

FL1701215894 Bridgetown CANA in English 2142 GMT 17 Jan 94

[Text] Basseterre, St. Kitts, 17 Jan, CANA—St Kitts-Nevis Prime Minister Dr Kennedy Simmonds has reiterated that his minority coalition government will not resign in response to opposition pressure to make way for fresh elections.

Speaking Sunday at a special convention of his ruling People's Action Movement (PAM) which forms the government with the Nevis Reformation Party (NRP), Simmonds said his administration would continue to promote economic development to make the twin island state a land of opportunity for all citizens.

General elections last November 29 produced no clear winner but PAM which won four seats—the same number as the main opposition St Kitts-Nevis Labour Party—teamed up again with the NRP which won one seat to form the government for a fourth consecutive time.

The Labour Party, which polled a higher percentage of votes than both partners in the coalition government, says PAM and NRP have no moral authority to govern and is continuing a campaign to force fresh elections.

Simmonds told PAM supporters his government was "constitutionally, morally and properly constituted" to run the affairs of St Kitts-Nevis.

"The opposition has the right to move a vote of no confidence in the National Assembly or demonstrate peacefully if they wish, but order must be maintained and the laws of the land will be respected," he added.

For a no confidence vote to succeed, Labour would need the support of the Nevis-based Concerned Citizens Movement which won two seats in the November 29 poll, but turned down approaches from both PAM and NRP to form a coalition government.

Simmonds said PAM was formed to unite the nation and erase what he said were the memories of victimization and suppression by the Labour Party when it was in government, especially against the people of Nevis.

He said his government would not be intimidated by threats of violence.

St. Vincent and the Grenadines

Minister Resigns To Care for Constituency

FL1501183794 Bridgetown CANA in English 1442 GMT 15 Jan 94

[Report by Corlita Ollivierre]

[Text] Kingstown, St. Vincent, 15 Jan, CANA—Minister in the St. Vincent prime minister's office, Burton Williams, on Saturday announced he had tendered his resignation. Williams told the Caribbean News Agency he needed more time to take care of the organisation and development of his constituency, South Windward. The resignation was effective from Saturday, he said.

Williams was health minister until June last year when he was transferred to the prime minister's office after a crisis in the health sector.

He said he intends to contest the next general election, constitutionally due by the end of August. But it was unclear whether he would be a candidate for the ruling New Democratic Party. Williams, reported to be in the late 30's, went into politics in 1984. At the time, he was operating a taxi service.

On Friday, in a paid announcement on national radio, Williams stated his intention to be a candidate for the South Windward constituency which he represents in parliament. This followed months of speculation that Williams was among three persons who would be axed from the slate of candidates of the New Democratic Party for the next general election.

Williams, in the announcement directed to his constituents, termed the reports a malicious rumour "by persons intending to create division and confusion..." He continued: "I have no intention to, and will never ... Be ungrateful nor disrespectful to you all. I want you to understand clearly that I will be contesting the next general election on your behalf."

The three functioning parties here have not announced their candidates for general election, but the campaign unofficially kicks off on the electronic media this week with the beginning of weekly television appearances by the NDP.

The main opposition St. Vincent Labour Party has been having regular weekly broadcasts. Dr. Ralph Gonsalves' Movement for National Unity returned to the television screen Wednesday after a few weeks' break.

Chiapas Crisis

Sporadic Clashes Reported Despite Truce

PA1401173694 Madrid EFE in Spanish 1620 GMT 14 Jan 94

[Text] San Cristobal de las Casas (Mexico), 14 Jan (EFE)—Despite the Mexican Army's unilateral cease-fire in Chiapas and the apparent peace that prevails in that southern Mexican state, today the press reported sporadic clashes in Lacandona where rebel groups are hiding.

After the Mexican Army's offensive during the first days of the armed uprising that began on 1 January, members of the Zapatist National Liberation Front (EZLN) retreated to the jungle areas near San Cristobal de las Casas, from where they direct their attacks.

On Wednesday [12 January] Mexican President Carlos Salinas de Gortari ordered the Armed Forces to observe a cease-fire against the "transgressors of the law" (as the government describes the rebels) and since then official reports maintain there is absolute peace in that area.

The Mexican press, however, reported on today's front page that some isolated groups of soldiers have clashed with rebels on Wednesday and Thursday without specifying which side fired first.

The daily LA JORNADA reported that a group of soldiers clashed with presumed guerrillas in the Lacandona jungle area, a few kilometers from the Indian village of San Miguel.

"There is no truce, no cease-fire in the Chiapas jungles," the report said. "We were stopped by recurrent detonations that sounded like a pistol discharging all of its ammunition. Those detonations were followed by synchronized machinegun fire. We heard heavy shooting from tanks. For 10 minutes, the shooting made the jungle birds fly away, while we waited in Chuvi," LA JORNADA journalists reported.

The report added that a dozen tanks entered the towns of San Miguel, Patate Viejo, and Chivi on Thursday "attacking EZLN rebels," and that helicopters and reconnaissance planes participated in the attack.

Apparently the announcement of the unilateral cease-fire has not reached the soldiers, who are still searching for rebels in the jungles of Lacandona—considered the "lungs of Mexico"—and probably it has not reached the Zapatists dispersed in the mountains either.

Regarding this, it is being said this is why the EZLN General Command has not responded to the government's invitation to hold peace talks, which is creating a tense and long wait for authorities.

Civilian sources from the town of Altamirano, which was taken by the rebels on 1 January, said the soldiers, who were deployed there to prevent more rebels attacks, maintain it in a "virtual state of siege. They do not allow us to go out to work in the fields or visit relatives in other villages; they supervise the distribution of food and supplies and oversee the activities of all residents of Altamirano as if we were suspects," one of the residents said.

The National Defense Secretariat reported the situation in the mountainous and jungle region in Los Altos de Chiapas "remains completely calm." It added that during the patrols ordered by the Army to guarantee peace in the region and the security of the local residents "no armed group was discovered" in the last 24 hours.

Most radio, television, and newspaper media, relying on official reports, maintain that peace reigns in the area and that the dialogue between the government and the rebels will be held soon.

Defense Secretariat Bulletin No. 17

PA1501134494 Mexico City XEW Television Network in Spanish 0430 GMT 15 Jan 94

[Bulletin No. 17 on the events in Chiapas issued by the National Defense Secretariat on 14 January—place not given; from the "24 Hours" newscast]

[Text] At 1400 yesterday, a group of unidentified attackers fired shots at a group of Mexican Army soldiers who were performing reconnaissance duties on the road from Ocosingo to the town of Suchila. Our troops did not sustain any casualties. During the night and up to this moment, no other incidents have been reported. On that same day, between 1400 and 1500, two Mexican Air Force helicopters rescued 13 people who were alone and without food in a hut located 30 km east of Ocosingo. These people had no chance to escape from the area due to the actions of the attackers. In all, 13 persons were rescued, including four adult males, four females, two young girls, and three teenage girls. The aforesaid persons were transferred to Tuxtla Gutierrez.

Peace Commissioner Accepts Bishop Ruiz as Mediator

PA1401215694 Hamburg DPA in Spanish 2032 GMT 14 Jan 94

[Text] Mexico City, 14 Jan (DPA)—Manual Camacho Solis, commissioner for peace and reconciliation in Chiapas, today formally accepted the mediation of Samuel Ruiz, bishop of San Cristobal de las Casas, with the Zapatist National Liberation Front (EZLN).

In statements made in this colonial city in southeastern Mexico, Camacho Solis said that Monsignor Ruiz will also play a key role in the effort to approach the guerrillas to establish a dialogue. Ruiz, who with two other bishops from Chiapas State had offered to mediate at the beginning of the armed conflict on 1 January, was proposed by the guerrilla organization itself.

Also proposed were 1992 Nobel Peace Prize winner Rigoberta Menchu and journalist Julio Scherer Garcia, director of the magazine PROCESO. Menchu in the beginning seemed willing to contribute to the dialogue process, but Scherer Garcia declined the invitation.

Camacho Solis, appointed as commissioner for peace by President Carlos Salinas de Gortari, said that thus far he has not established contact with the rebel group and reiterated that the negotiation process will probably be lengthy. The former foreign secretary and mayor of Mexico City, known in political circles as a skillful negotiator and peace-maker, has been in San Cristobal de las Casas from 12 January, working with Bishop Ruiz on a plan for rapprochement with the EZLN.

The framework for the negotiations plan is the cease-fire unilaterally decreed by President Salinas de Gortari on 12 January, two days after Camacho Solis was appointed peace commissioner.

Peace Commission Head on Dialogue

PA1601011294 Mexico City Radio ACIR Network in Spanish 0030 GMT 15 Jan 94

[Report by Juan Carlos Santoyo; from the "Vector 21" newscast]

[Text] Manuel Camacho Solis, head of a special commission for peace and reconciliation in Chiapas State, held a news conference on 14 January before heading for Mexico City where, according to Camacho, he will make consultations and meet with President Carlos Salinas de Gortari.

He made important statements about the peace dialogue in this state. Camacho said that the outlook has changed; peace should not involve a restoration of the status quo but the solution of the political-military problem. It should also involve an orderly and institutional leadership in the countryside, he added.

Camacho said that we must implement the necessary measures to effect peace in Chiapas, but this should not be the result of a conventional negotiation of the conflict. He said that there are many beliefs and issues that still trouble the residents and undermine peace in Chiapas.

The commissioner said that Chiapas residents must analyze these beliefs and issues. He added that changes must be made—for example, changes to the Penal Code. Camacho said that we must open a formal negotiation process by ensuring that the conditions that are established will enable the parties involved to reach the goal.

He said that the government and local leaders must make legislative changes, but only Chiapas residents should determine which changes must be made. Camacho added that the most important thing at this time is to ensure that united efforts in this state will achieve security, justice, and democracy.

We now know who will be the mediator; that is, the direct contact between the special commission for peace and reconciliation headed by Manuel Camacho Solis and the Zapatista National Liberation Army [EZLN]. That person will be Bishop Samuel Ruiz. Camacho said that Ruiz is a valuable and highly respected person in the state and was proposed as mediator by the EZLN. He will be the direct link in the process to determine whether the interlocutors that the EZLN selected are valid and whether peace can be negotiated with them, Camacho added:

[Begin Camacho recording] The EZLN, via public communiques, has proposed Samuel Ruiz, the bishop of San Cristobal de las Casas, as mediator. I think that the bishop's participation in this process, along with the other Chiapas bishops, will be important. Any idea or proposal received through Ruiz will be immediately considered.

As I said upon arriving in San Cristobal, it will take some time to restore peace in Chiapas. If we managed, however, to turn into a clear political concept the efforts of the civilian movement for peace, the unification of Chiapas residents to achieve security, justice, and democracy, state and municipal institutions, the decisions of the federal Executive Branch, work in communities and organizations, pastoral reconciliation messages, open and objective information, the efforts of the churches, and the role of the Congress of the Union what seems impossible could become reality. [sentence as heard] [end recording]

Camacho added that only the combination of everyone's goodwill, intelligence, and honesty will prevent the outcome of this conflict from resembling those that have harmed other countries in Central America. He said that at this time peace must be built via specific dialogue.

Ruiz gave thanks for this responsibility, which he described as a very heavy burden we must shoulder. He added: I will try to reconcile my pastoral duties with my mediator duties.

Colosio Calls For Campaign To End Poverty

PA1501022594 Mexico City XEW Television Network in Spanish 0435 GMT 14 Jan 94

[From the "24 Hours" newscast]

[Text] In Queretaro, Luis Donaldo Colosio, Institutional Revolutionary Party [PRI] presidential candidate, has just ended his first campaign tour. He visited Pedro Escobedo and San Juan del Rio and later went to Hidalgo. Pablo Martin Contreras, president of the Otomi people, gave Colosio the staff of command in Ixmiquilpan, in the heart of the Mezquital Valley, where Colosio received the support of the Indian population. In downtown Ixmiquilpan he met with PRI members from Hidalgo. He said that what is most painful is learning first hand the difficult conditions that many Mexican communities face daily. He added that shortages are intolerable and cannot be accepted and that poverty should not be accepted as one's destiny.

At an event attended by thousands of peasants, Colosio emphasized that things must be called by their names because Mexico rejects lies and demagoguery, which are deceptive. The PRI candidate called for a decisive battle to end poverty, deprivation, and inequality in Mexico. He also talked about the Chiapas situation.

[Begin Colosio recording] In the difficult times that Chiapas State is experiencing, we must all reiterate our desire, our fervent desire, and our determination to have only one Mexico. To face the challenge of poverty, the fatherland needs unity, harmony, and work. This is what the gleam of hope in the eyes of Hidalgo children, of Chiapas children, and of all Mexican children is asking. [end recording]

Colosio said that the Chiapas and Mezquital Valley situations demonstrate the urgent need for more just conditions. He added that the solution is sweeping social reform.

[Begin Colosio recording] Today we are encouraged by progress in the negotiations. The Mexican Army's declaration of a cease-fire shows willingness to find ways to bring peace to this Mexican region. [end recording]

Colosio pointed out that talks, reconciliation, and the strengthening of the state of law will continue to promote stability in Mexico. Later, he met with the PRI political council in Pachuca and with Hidalgo women. He also attended a social event.

PAN Asks Candidates Not To Capitalize on Chiapas Events

PA1501043594 Mexico City XEW Television Network in Spanish 0435 GMT 14 Jan 94

[From the "24 Hours" newscast]

[Text] In Mexico City the PAN [National Action Party] candidate said that other presidential candidates should not use the Chiapas situation to their benefit. During the weekly PAN news conference, presidential candidate Diego Fernandez de Cevallos spoke about events in Chiapas and called on other presidential candidates:

[Begin Fernandez de Cevallos recording] In view of the latest violent events in Chiapas, I believe there should be, not only from me but from all presidential candidates, respect and basic prudence not to take advantage of this painful moment to try and gain an advantage. [end recording]

The other topic discussed during the PAN news conference had to do with the presidential candidates' debates. Fernandez de Cevallos rejected the proposal that the nine candidates debate in two sessions.

[Begin Fernandez de Cevallos recording] I said that I do not reject that all candidates appear. What I protest is the intention to reduce the discussion of the country's major conflicts and topics to only two appearances. It is not possible, even with the country's modern communications system and especially with the high expectations generated, that these debates be reduced to two appearances for all presidential candidates. It is not fair, it is not correct, and it is not democratic. [end recording]

Tello: U.S. Congress Summons 'Offensive'

PA1501203494 Madrid EFE in Spanish 1929 GMT 15 Jan 94

[Excerpt] Mexico City, 15 Jan (EFE)—Mexican Foreign Secretary Manuel Tello last night described as offensive to Mexico a proposal by U.S. Representative Robert Torricelli, a Democrat, that the U.S. Congress investigate the Chiapas events.

Torricelli is calling on Clinton administration officials and human rights advocates to testify at a hearing on the Chiapas uprising.

"The United States should make very clear to the Mexican Government the type of political reforms required if we are to maintain a new relationship," stated the Democratic representative, who said the hearing has been scheduled for 2 February.

Tello said Torricelli's initiative is unfriendly and offensive. It seems that the legislator is unaware, Tello stated, of the measures the Mexican Government has taken to find a peaceful solution to the conflict in Chiapas.

It seems that they want to take up the old arguments that went on during the NAFTA debate and link commercial policies to interventionist intentions in Mexico, the foreign relations secretary concluded. [no quotation marks as received]

A group of U.S. legislators who support NAFTA have sent a letter to President Carlos Salinas de Gortari to express their concern over the events in Chiapas and to ask him to facilitate investigations by human rights groups and the media in the area of conflict. [passage omitted]

Salinas Receives Commerce, U.S., Canadian Officials

PA1601025394 Mexico City Radio ACIR Network in Spanish 0030 GMT 15 Jan 94

[From the "Vector 21" newscast]

[Text] President Carlos Salinas de Gortari received important visitors at Los Pinos this afternoon. Jaime Serra Puche, Mexican secretary of commerce and industrial development, U.S. Commerce Secretary Mickey Kantor, and Roy MacLaren, Canadian international trade minister, arrived at the presidential residence shortly after 1330. Serra, Kantor, and MacLaren held a private meeting earlier this morning to set in motion the Free Trade Labor Commission, which is based in

Mexico, the Free Trade Agreement Commission on Labor Affairs based in the United States, and the Environmental Commission based in Canada.

The commerce ministers' meeting with President Salinas was also behind closed doors, and, as we all know, following this meeting they went over to the Secofin [Commerce and Industrial Development Secretariat] building to hold a joint news conference.

Serra, U.S. and Canadian Officials Hold News Conference

PA1601133094 Mexico City Radio ACIR Network in Spanish 0030 GMT 15 Jan 94

[From the "Vector 21" newscast]

[Excerpts] The U.S. trade representative [Mickey Kantor] and the Canadian minister of international trade [Roy MacLaren] agreed at a news conference that the Mexican Government alone must resolve the armed conflict in Chiapas State by acting wisely to restore social peace. MacLaren said the Mexican Government must be cautious to achieve a peaceful solution.

[Begin MacLaren recording] I hope the Mexican Government's good sense and wisdom will lead to the prompt resolution of the conflict in Chiapas. [end recording]

Mickey Kantor said his government has no reason to meddle in the internal affairs of other nations, but nothing can prevent the United States from observing the events that take place in other nations. [passage omitted]

Jaime Serra Puche, Mexican Secretary of Commerce and Industrial Development, was also present at the news conference and said that a society can progress only if there is social peace.

[Begin Serra Puche recording] Every sector of Mexican society should try to create a harmonious atmosphere that will allow our society and economy to operate in peace and stability and sufficiently free from concern so we can enjoy continued progress and growth and improve the distribution of our country's wealth. Every Mexican must make this effort. [end recording]

Aside from political issues, the commerce secretaries announced that this was the first meeting held since NAFTA went into effect and that it marked the inauguration of the Free Trade Agreement Commission, which will be headed by the Mexican commerce secretary, the U.S. trade representative, and the Canadian international trade minister. The commission will be based in Mexico. Plans for opening other commissions were also set into motion.

Serra, Kantor, and MacLaren agreed to meet on 15 April in Morocco within the framework of the conclusion of the GATT Uruguay Round.

The officials also discussed the possible participation of other nations in NAFTA, but no conclusions were reached.

Salinas Seeks Liberation of Ex-Governor

PA1501225894 Madrid EFE in Spanish 2044 GMT 15 Jan 94

[Text] Mexico City, 15 Jan (EFE)—According to press reports, Mexican President Carlos Salinas de Gortari asked today Jorge Madrazo, president of the National Human Rights Committee (CNDH), to take steps to liberate former Chiapas Governor Absalon Castellanos.

In an unofficial version released by the press, Salinas asked the CNDH president to establish contacts with the Zapatista National Liberation Army (EZLN) to attain the liberation of the soldier and politician, who was kidnapped by guerrillas in the early days of the conflict.

According to the press, the government is trying to handle this affair discretely in order to ease the negotiation with the captors.

EZLN Representatives had stated that they would subject the former governor to a summary trial for repressing the indigenous peoples and peasants of Chiapas during his regime. Castellanos was kidnapped from his San Joaquin Ranch in Las Margaritas Municipality, Chiapas State.

The doctors of the Social Security Institute, who were set free in Guadalupe Tepeyac Municipality, have reported that General Castellanos was still alive and in a normal condition.

According to a journalistic version, the EZLN has informed his relatives that they will subject the former governor's fate to a vote, whereas another version has reported the total silence of his captors and that the general was in the town of Maravillas Trinidad.

Indians Say Army Burned Warehouse 'Full of Bodies'

PA1501224494 Paris AFP in Spanish 2135 GMT 15 Jan 94

[Text] San Cristobal de las Casas, Mexico, 15 Jan (AFP)—The Mexican Army torched on 7 January a warehouse "full of bodies" near Altamirano in the southern State of Chiapas, charged here on Saturday five Indians who were "beaten and tortured" by military personnel.

The Indians, who spoke to reporters in this city without disclosing their identity, said they were captured by Army troops 6 January in Altamirano and locked up all night inside a coffee warehouse in which there were at least "25 to 30 bodies."

The group, which was arrested "for investigation" by the Army, claimed they saw the bodies, "which were already cold," moments before the soldiers blindfolded them and tied their hands, which show signs of cuts and bruises.

The soldiers pushed the prisoners to the floor, very close to the bodies, and then lighted candles, warning them that "we are having a wake for them and we might as well have one for you, because we will shoot you tomorrow."

The five Indians, all from Altamirano, recounted how they spent the night hand tied and blindfolded, lying down close to the bodies, and that the soldiers returned the following morning and evacuated them from the warehouse "with blows" and forced them into a military truck parked a few meters away.

They added that from the truck they were able to see that the military personnel sprayed the warehouse with gasoline—and minutes later "we heard an explosion."

The group was taken immediately to the town of Margaritas, where the military truck picked up four other people who were arrested and took them to the headquarters in Comitan, where there were "16 more prisoners," they stated.

At the headquarters, the Indians were "interrogated, beaten, and tortured" with electric shocks and blows to the testicles, according to the account they gave to reporters.

Later, they said, they were turned over to the Tuxtla Gutierrez judicial authorities where for the first time in their four days of capture they were able to "eat and drink water." Subsequently, they were confined to a cell of Prison Ward Number 1 "along with 35 more Indians" of Chiapas. They added that in that cell they also saw "several Central Americans," including Hondurans, who told them they had been captured as undocumented and that the Army "forced them to say they were guerrillas."

After eight days of captivity, the five Indians, who were arrested for presumed "criminal association," were released 14 January in this city by authorities, for lack of evidence.

During the past few hours, international human rights organizations, including Americas Watch, and former U.S. District Attorney Ramsey Clark demanded that the Mexican Government clear up charges of alleged human rights violations of Indians and peasants by the Army in Chiapas.

Two weeks after the rebel uprising in the southern part of the country, the government is trying to establish a dialogue with the rebels to halt the warring conflict, which thus far has left an official toll of 100 dead, a figure that local church organizations have estimated at over 400.

Military Rejects Human Rights Charges

PA1601045194 Mexico City NOTIMEX in Spanish 0357 GMT 16 Jan 94

[Text] Mexico City, 15 Jan (NOTIMEX)—Military authorities rejected today charges of human rights violations during the conflict in Chiapas State, recalling that the armed group began the attacks, and they reiterated their commitment to act according to the law.

"The military's actions are and shall be at all times directed toward respecting the physical and moral integrity of the people" of the southern Mexican State of Chiapas, the Secretariat of National Defense announced in a communique released on Saturday.

The charges of alleged human rights violations by the troops "are based solely on alleged rumors and sensationalism," which confuse the people, the communique read.

The clashes in Altos de Chiapas, where the self-styled Zapatista National Liberation Army occupied several towns on 1 January, left 100 dead and an undetermined number of people wounded.

Those who accuse the Army of violating human rights seem to forget that 24 policemen were killed and 35 were wounded, as well as more than 100 civilians reported missing at the hands of the armed group, the National Defense Secretariat stated.

It also recalled that the armed group began the clashes when it attacked Rancho Nuevo Headquarters, near the town of San Cristobal de las Casas in Chiapas, 1,200 km southeast of Mexico City.

The armed group occupied and destroyed public buildings and "used terror to subdue" the population, hid their dead, and "very probably buried them clandestinely."

The Defense Secretariat reported that the Army turned over the individuals arrested during the conflict to civilian authorities and informed them of the deaths registered among the armed group.

It mentioned that, within the imitations imposed by the conflict, the military authorities have provided their best help to the National Human Rights Commission, which traveled to Chiapas State at the beginning of the clashes.

The Army's participation is fully justified, as they have responded to the attack against the garrison, the demands for help from the government of Chiapas State, and the reiterated aggressions on the troops, the secretariat added.

There is a relative calm in that area of Chiapas State after President Carlos Salinas de Gortari appointed last week former Foreign Minister Manuel Camacho Solis commissioner for peace and reconciliation and announced the cessation of the Army's offensive operations.

Government Vows 'Immediate Attention' to Any Rebel Proposal

PA1501152094 Mexico City NOTIMEX in Spanish 1201 GMT 15 Jan 94

[Report by Jaime Lopez Castaneda]

[Excerpts] San Cristobal de las Casas, 15 Jan (NOTIMEX)—The possibility of a dialogue to end the conflict seemed to be drawing closer on Saturday, 15 January, in the wake of the government offer to give "immediate attention" to any genuine proposal by the armed group operating in southeastern Mexico. Fifteen days into the conflict, this region of Los Altos de Chiapas —approximately 200 km southeast of Mexico City—was calm following a brief violation of the unilateral truce the government ordered 72 hours ago. [passage omitted]

Following a three-hour meeting with President Carlos Salinas de Gortari in Mexico City last night, Manuel Camacho Solis, special commissioner for peace and reconciliation in Chiapas, said that negotiations in Chiapas are advancing although the problem is very complex.

Without going into details, Camacho Solis said: "We are working well in a serious manner. It is a complex problem, but the approach is appropriate."

On Friday a group of armed men broke the truce established by a presidential order to suspend military operations in Los Altos de Chiapas by attacking an army unit on a stretch of the highway to Oconsingo. There were no casualties. [passage omitted]

Last night Camacho Solis announced that Bishop Samuel Ruiz of San Cristobal de las Casas will be the practical "liaison" to establish contact with the armed group.

The clergyman, known as a strong defender of Indians in Chiapas, made an appeal "to seek alternative means" to solve the major, profound problems affecting the region.

Camacho Solis offered to give his immediate attention to any genuine proposal made by the armed group through Bishop Ruiz, who last week agreed to a petition by the rebels to serve as mediator in the dialogue with the government.

"Peace will be the result of a solution to the military and political problems, as well as of an orderly and institutional handling of the changes to be made in the region," the peace commissioner noted.

"If Chiapas achieves reconciliation by taking steps forward, instead of being a problem for the country, it will provide a major contribution to the nation as a whole," Camacho Solis added. Los Altos de Chiapas is a region of 100 square km with a largely Indian population which, the government acknowledges, lives in extreme poverty.

A communique by the Bishops Committee on Peace [Comision Episcopal para la Paz] announced that a mission of bishops will visit the conflict area to convince the armed militants to agree to a dialogue after laying down their weapons. [passage omitted on background material]

Former U.S. Attorney General Ramsey Clark has also joined the repeated appeals for talks. He is a delegate of a human rights organization based in Southern California. [passage omitted on background material]

Clark's visit coincided with a report by the National Human Rights Committee, headed by ombudsman Jorge Madrazo, that 60 percent of the cases reported as missing during the conflict have been resolved.

Madrazo noted that out of 231 persons reported missing in the 10 days of fighting and attacks, 163 have been found.

EZLN Leader: Rebels Will Respect Truce

PA1601174594 Paris AFP in Spanish 1626 GMT 16 Jan 93

[Excerpt] Mexico City, 16 Jan (AFP)—The political and military situation in southern Mexico this Sunday remains unchanged in anticipation of the guerrillas' reply to the government's dialogue proposal, which, according to rebel leaders, could happen "very soon."

In interviews published by local media today, "Major Mario" of the Zapatist National Liberation Front (EZLN) announced that he will reply to the official dialogue proposal and will respect the unilateral truce decreed by the government. "We are respecting the cease fire. We will not attack the government, but we will respond if they come to harass us," Major Mario asserted. Mario is a 21- year-old Tzeital Indian who spoke to a group of reporters "somewhere in the Lacandona jungle" in Chiapas state.

The rebel chieftain asserted that "very soon the EZLN Indian Clandestine Committee will answer the government," although "we will not stop the war" until the 10 conditions presented by the guerrillas have been met, including a total cease-fire, a halt to the bombing, and official recognition of the EZLN as a belligerent force. [passage omitted]

Further on Rebels Respecting Truce

PA1701001894 Madrid EFE in Spanish 2300 GMT 16 Jan 94

[Text] Mexico City, 16 Jan (EFE)—According to news reports, the Zapatist National Liberation Army (EZLN) will observe the truce and will not stage attacks, but it will respond if attacked and will continue the war until its 10 demands are met.

Journalists who visited an EZLN camp for the first time have reported that the EZLN leader known as "Major Mario" has announced that the EZLN Indian Clandestine Committee will answer very soon the government concerning its dialogue proposals.

"Major Mario" has denied the EZLN is attempting to establish socialism, but he insisted that the Indians and peasants will struggle for the fulfillment of the 10 points of their program: democracy, jobs, fraud-free elections, independence, land for peasants, jobs [as received], housing, health, justice and education.

The Zapatista leader said the war will not end until these demands are met, and the EZLN will not disarm, because, he said, "we would rather die fighting with dignity than from cholera and measles and repressed by landowners;" we want freedom, the right to express ourselves, democracy, and true peace.

"Major Mario" assured that the EZLN has respected the truce, but the Army has continued to attack, and the EZLN rebels have orders to defend themselves and have only responded to the attacks.

Concerning rapprochement with Manuel Camacho, commissioner for peace and reconciliation, "Major Mario" has said this decision must be made by "Commander Marcos;" he added that the rebels are Mexicans and natives of Chiapas who acknowledge Mexico's flag and national anthem.

In response to a question on war casualties, the Zapatista rebel denounced that the Army murdered civilians, dressed them as Zapatistas and blamed the EZLN for their murder. "Major Mario" said the Army is no longer dealing with unarmed peasants.

"Major Mario" said the uprising was decided by the Clandestine Committee after seeking out every legal path, finding no results. The government has destroyed Article 27 of the Constitution, and the North American Free Trade Agreement will only foster poverty.

Salinas Submits Amnesty Bill To Congress

PA1601175894 Mexico City XEW Television Network in Spanish 1703 GMT 16 Jan 94

["Special message" by President Carlos Salinas de Gortari in Mexico City—live]

[Text] Mexicans: In view of recent developments in Chiapas State, the nation remains fully committed to peace. Social organizations, religious associations, the news media, the country's political forces, and all citizens are decidedly against violence. A defined and clear sentiment exists in favor of a solution that saves lives and ensures the path of justice. The efficient action by the Mexican Army and the decision for a unilateral cease-fire have increased tranquillity in the affected areas of Chiapas and in the country. The government has taken the path of conciliation and union among Mexicans so this painful situation will not be repeated. For that reason, I have decided to ask the Permanent Committee of the National Congress to immediately convoke a extraordinary period of sessions. I will submit a bill to grant a general amnesty to everyone who participated in the violence that has affected several towns in Chiapas from 1 January to 1100 [1700 GMT] today, 16 January. Any criminal action against towns or the Mexican Army after that time will not receive the benefit of amnesty.

With this decision, the Mexican state is making it clear that it seeks peace. Those who have entered into a confrontation with the state no longer have any pretext for refusing to peacefully rejoin their communities and participate in the tasks of meeting needs and overcoming vices through solidarity. In the days ahead, I will implement an overall justice program in the upper and jungle areas of Chiapas. With this program the federal government will join the decisions and work by all Chiapas residents without exception. I will continue to act in favor of the security, tranquillity, and greater justice Chiapas State needs. I will continue asking for cooperation from all in these decisions and for the indispensable participation of Chiapas residents in the responsible search for peace and justice. In this way Congress will play the key role that befits it to continue advancing toward the restoral of peace in that area of Chiapas.

Fellow countrymen, the president continues making all decisions available to him to protect the people, avoid violence, and find justice. With this amnesty law initiative and the additional effort for justice, we will strengthen the harmony of the republic and the unity of the nation. Thank you.

Presidential Candidates Approve of Amnesty Decree

PA1701003994 Madrid EFE in Spanish 2335 GMT 17 Jan 94

[Text] Mexico City, 16 Jan (EFE)—The presidential candidates of the Institutional Revolutionary Party (PRI), National Action Party (PAN), and the Party of the Democratic Revolution (PRD) have stated their approval of the amnesty decree announced today by President Carlos Salinas de Gortari.

PRI candidate Luis Donaldo Colosio termed as timely and welcome the initiative, which will settle the situation in southern Chiapas State, adding "everything done to attain peace in the region is welcome."

PAN candidate Diego Fernandez de Cevallos said everything that leads to the achievement of peace and justice must be supported by all Mexicans, adding that if the amnesty is the only option that guarantees peace, "I support the government's decision."

Fernandez de Cevallos said events in Chiapas do not endanger the conditions for holding elections this year; quite the contrary—they prove the people's clamor for a fair and democratic electoral process.

Cuauhtemoc Cardenas Solorzano, PRD candidate, said the proposed amnesty for the armed people in Chiapas represents a step toward creating conditions that allow a settlement and understanding on the conflict.

Cardenas—who termed as positive the fact that the government has decreed a ceasefire and is willing to decree an amnesty—stated his confidence solutions will soon be found to the state's problems.

The PRD candidate considered it urgently necessary to grant Indian representatives access to positions in which decisions are adopted to solve the conflict.

Cardenas demanded the replacement of acting Chiapas Governor Elmar Setzer with another who has the Indian communities' support and recognition.

Peace Commissioner on Salinas' Amnesty Proposal

PA1701002894 Mexico City NOTIMEX in Spanish 2234 GMT 16 Jan 94

[Report by Victor Godinez]

[Excerpts] San Cristobal de Las Casas, 16 Jan (NOTIMEX)—The amnesty proposed by President Carlos Salinas de Gortari for the people involved in the Chiapas State rebellion is the "most important decision" for attaining peace in the area, Commissioner Manuel Camacho Solis said here today.

"The most important decision to contribute to the reestablishment of peace has been made today. It is a risky moment, because there could be provocations aimed at undermining the peace process," the peace and reconciliation commissioner said in Chiapas.

[Passage omitted]

Regarding the timeframe for the presidential initiative, Camacho said it is "an amnesty for what has already taken place, and that is the reason for the timeframe" set by Salinas de Gortari.

[Passage omitted]

During a news conference, Camacho spoke of the first steps and signs of conciliation that he has received without saying he has received direct messages from the spokesmen of the armed group in response to his calls to dialogue and reconciliation.

"We are negotiating through facts, with messages of concord in both directions, which is already yielding its first results," he said.

The National Congress, which must ratify the presidential proposal, now plays "a leading role for attaining peace, as the nation's general feeling is for reconciliation," the former foreign minister said.

He said the amnesty will ease "the return of members of the self- styled Zapatista National Liberation Army [EZLN] to their communities and the reintegration to their jobs, which required that we advance in the topic of guarantees."

To attain the pacification of Chiapas State, it will be necessary to "set the bases for a peace with justice, guide the changes politically," and "favor the construction of channels for the effective and authentic political participation of the different indigenous groups," he added.

He reiterated that he believes the armed group "is basically a Mexican and Chiapan movement."

The return of the kidnapped former governor of Chiapas State, Absalon Castellanos, would be a conciliatory message from the armed group, Solis said.

"The EZLN is an organization that, regardless of methods, of which we disapprove, has shown it has political clarity; therefore, I hope they realize that for their cause it is better that General Castellanos be alive, not dead."

Normalcy Returning To Chiapas After Amnesty

PA1701160094 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 17 Jan 94

[Report by Francisco Rubio from the "Good Morning From Mexico" newscast]

[Text] Significant and specific advancements have been made following the presidential bill granting general amnesty to everyone who participated in the violence in Chiapas State. Rumors of clashes between the Mexican Army and rebels have turned out to be just that: only rumors. Here in Chiapas, most people have returned to their daily activities.

Manuel Camacho Solis, commissioner for peace and reconciliation in Chiapas, held a news conference upon his return to Mexico City. He warned that even with the presidential bill granting general amnesty to everyone who participated in the violence in Chiapas, there is still a risk of falling into provocations that could hinder the peace process.

[Begin Camacho Solis recording] In facing this situation, the country is strong, civilian society is mobilized, the national and international media are vigilant, and the Army is loyal to the executive branch and the nation, which prefers a political solution to an escalation of the conflict. [end recording]

Regarding rumors of clashes, Camacho Solis said firmly that unlike some other countries, the civilian government controls the Armed Forces in Mexico. He added that he hopes the Indians have received President Carlos Salinas de Gortari's message, which he read in the Tzotzil, Tzetal, and (Chol) languages.

San Cristobal de las Casas Bishop Samuel Ruiz Garcia during his Sunday homily expressed his satisfaction about the conciliatory messages exchanged by both sides. Bishop Ruiz Garcia invited Peace Commissioner Manuel Camacho Solis to come to the altar, to which Camacho replied: I am just a faithful Christian. Bishop Ruiz Garcia responded: I am bishop of this Diocese, but I am also a citizen.

Before approximately 3,000 parishioners, Ruiz Garcia said he has received threatening telephone calls.

[Begin Ruiz Garcia recording] Without trying to be conspicuous, without any deception in my words, but with a sincere heart, I tell all those who have recently said they will make me disappear—even making such threats in public places—and all those who have left threatening messages—even though I have also received encouraging phone calls—that although I know their names, I harbor no hard feelings against them in my heart. [end recording]

In closing the homily, Ruiz Garcia said the eyes of the world are on Mexico and urged the parties involved in the conflict to meet and show their willingness to find a solution through genuine national fraternity.

Camacho Announces First Official Contact With EZLN

PA1701184494 Mexico City Radio ACIR Network in Spanish 1730 GMT 17 Jan 94

["Special Report" by Juan Carlos Santoyo from San Cristobal de las Casas]

[Text] [Anchorman Calderon] In a few minutes we are going to have a report on some very important news. We are waiting for a telephone call from one of our correspondents. Is he on the telephone? Is he ready? Here is Juan Carlos Santoyo, who is the ACIR group correspondent in San Cristobal de las Casas in Chiapas. We are going to put him on the air. Are we on the air? We are listening to your report, as it seems to be very important.

[Santoyo] That's right, Mr. Calderon. After days of waiting, today we can see a breakthrough in communications between the Zapatist National Liberation Army [EZLN] and Manuel Camacho Solis, special commissioner for peace and reconciliation in Chiapas. A few minutes ago, Camacho Solis hosted a news...[pauses] He is now holding a news conference. He is reporting that the first formal, official contact was established with EZLN leaders. He received a communication directly from Deputy Commander Marcos. Mr. Calderon, I am going to play an excerpt of that news conference during which this major announcement was made. It constitutes another step toward peace and reconciliation in this state.

[Calderon] You are going to broadcast an excerpt of the news conference.

[Begin recording] [Camacho] I will be very brief [four-second break in reception] I want to tell you that I have already received an official message from the EZLN signed by Deputy Commander Marcos. I am going to Mexico City to brief the president, other members of the government, and those who should be informed of the communique. We will have a formal reply for the EZLN tomorrow at 1100 [1700 GMT]. Things are on the right track. The decision to initiate a cease-fire and— above all—the decision to request the Permanent Committee of the National Congress to convoke a extraordinary period of sessions so the executive can submit a general amnesty bill are yielding results. The path of harmony and conciliation is the right path, as the facts are proving. [end recording]

[Santoyo] Mr. Calderon, this is very important information because this is the first contact between the EZLN and the commissioner for peace and reconciliation. Basically, we were told the points to be negotiated are those contained in the first communique the EZLN issued on 6 January. Those points include the demand for the definitive withdrawal of Mexican Army troops from the zone and the withdrawal of many troops to their garrisons. The cease-fire was also mentioned. They also demanded a process of true reconstruction in Chiapas. As you heard, the commissioner for peace and reconciliation will have an answer tomorrow at 1100.

[Calderon] What time did Mr. Camacho give the news conference in San Cristobal de las Casas?

[Santoyo] At exactly 1135 [1735 GMT]. We left for a while to broadcast this first good news.

Rebels' 13 Jan Message to Clinton Published

PA1801042494 Paris AFP in Spanish 2046 GMT 17 Jan 94

[Text] San Cristobal de las Casas, Mexico, 17 Jan (AFP)—The Mexican Government "is using the economic and military aid" that it receives from the United States to "massacre the Chiapas Indians," the Zapatist National Liberation Front [EZLN] rebels charged in a message addressed on 13 January to President Bill Clinton. The letter was published today by the local newspaper EL TIEMPO.

Signed by Subcommander Marcos, who explained that there will be a delay in delivery with the package of documents issued from 7 to 13 January—the texts of which referred to the cease-fire—to Peace Commissioner Manuel Camacho, they reject any charges that they attacked "civilian objectives," among other things.

In an 11 January text, the EZLN stated "it does not know Camacho Solis, but if this gentleman truly and honestly wants to find a political and fair solution, we hail his appointment as peace commissioner and we reiterate to him our willingness to dialogue."

Camacho stated on Monday that he received a new message from the Zapatistas, which is why he went to the capital to brief Carlos Salinas on, with the certainty that there would be a response for them by 18 January.

Salinas announced on 16 January that he will send to Congress "a draft law granting general amnesty" to EZLN members who rebelled in Chiapas 15 days ago. This was considered by political and social sectors as a new step toward peace.

In a 6 January communique, the EZLN requested, among other things for dialogue, its recognition as a belligerent force, a cease-fire, the withdrawal of government troops from Chiapas, and democratic and social benefits.

In the message to Clinton, the U.S. Congress and people, the EZLN asked if they "approved this military and economic aid to combat narcotrafficking and to kill Indians in the southeastern part of Mexico."

"Troops, aircraft, helicopters, radar and communications equipment, firearms, and military weapons are now used not against narcotraffickers and the big drug lords of the drug mafias, but to repress the just struggles of the people of Mexico," it added.

The Zapatists claim "we have nothing to do with narcotrafficking or national or international terrorism," and they say that "with the support the U.S. Government and people offer to the federal government they are only staining their hands with the blood of Indians."

"Do not stain your hands with our blood, becoming an accomplice of the Mexican Government," because "our wish is for all the peoples of the world: true liberty and democracy," the message to the U.S. president concluded.

In a 13 January communique, the EZLN said that "no way will we turn over our weapons or surrender our forces to the evil government. The cease-fire is aimed at alleviating the situation of the civilian population in the combat zone and paves the way for dialogue with all the progressive and democratic sectors of Mexico."

Rebels Not To Surrender Weapons, Forces

PA1801045894 Madrid EFE in Spanish 0243 GMT 18 Jan 94

[Text] Mexico City, 17 Jan (EFE)—The self-styled Zapatist National Liberation Army (EZLN) stated today that in no way will it surrender its weapons or forces, on announcing its acceptance of the dialogue announced by the Mexican Government to find a political solution to the armed conflict in Chiapas.

Manuel Camacho Solis, peace commissioner for reconciliation in Chiapas, announced today in San Cristobal de las Casas that he had received the documents in which the EZLN agrees to dialogue with the government and announces that it will state its official response on 18 January.

In a series of documents sent by the EZLN to the press, the rebels announced their acceptance and expressed congratulations for the cease-fire ordered by Mexican President Carlos Salinas de Gortari and for the appointment of Manuel Camacho Solis.

The EZLN declared war on the Mexican Government on 1 January when it occupied four mayors' offices in the Chiapas State in confrontations which it said left an unofficial toll of 200 dead in the 11 days of clashes, after which Salinas de Gortari announced the unilateral cease-fire.

Costa Rica

Poll Shows Presidential Candidates in Near Tie

PA1601223194 San Jose LA REPUBLICA in Spanish 10 Jan 94 p4A

[Report by Aquileo Sanchez Viquez]

[Text] Four weeks before Costa Ricans wake up with a president-elect, the country's electoral situation does not yet allow a forecast of an undisputed winner for these elections. Had the elections been held during the previous week, however, Jose Maria Figueres [presidential candidate for the National Liberation Party, PLN] would have won with a 3-percent advantage over Miguel Angel Rodriguez [presidential candidate for the Social Christian Unity Party, PUSC].

This is what we gather from the sixth weekly poll conducted by the Multispecialty Development Counselors (CID/Gallup) from 3 to 6 January 1994, as part of the "1994 Electoral Campaign" series. The participants in this poll were 1,010 Costa Ricans from around the country, 510 interviewed in their homes and the rest via telephone.

The poll indicates that Costa Ricans are facing a campaign that is different from the others, as the personality of the candidates and their backgrounds are the focal point of the campaign, whereas ideas and programs have passed to second place in importance.

Distances Become Shorter

The trend toward a near tie between Miguel Angel Rodriguez and Jose Maria Figueres, which prevailed in November, is repeated again in January, still with the opposition candidate in the lead.

When asking Costa Ricans for whom would they will vote if the elections were held today, 39.5 percent of the polled respondents gave their support to Figueres, while 35.5 percent supported Rodriguez. In that poll, 10.7 percent said they were undecided.

Upon asking that last group about their electoral inclination, should they be forced to choose, 4.6 percent said they favored the official candidate, and 3.6 percent favored the opposition candidate.

When these data are added, it turns out that the final vote inclination for Figueres is 43.1 percent, and for Rodriguez it is 40.1 percent. Regarding other preferences, Miguel Salguero of the Democratic Force Party got 4.1 percent; Jorge Gonzalez Marten of the National Independent Party, 0.6 percent; and other candidates, .6 percent. In the end, 3.4 percent remained undecided; 4.6 percent said they did not support any candidate, and 3.5 percent preferred not to respond.

We must cite that the poll has a margin of error of three points, more or less, which affects all the results; thus, the support for Figueres varies between 40.1 percent and 46.1 percent, and the support for Rodriguez is between 37.1 percent and 43.1 percent.

Regarding the previous poll, which was published on 20 December, Figueres' support dropped by 1.5 percent, whereas Rodriguez' increased by 1.3 percent.

The decrease in support for the green-and-whites [PUSC] is also observed when measuring the support for the political parties, as this week, the PLN has 45.8 percent of the followers while the PUSC has 37.3 percent.

In the previous survey, the Social Democratic Party garnered 47.5 percent of the votes, whereas the Social Christian Party got 38 percent.

The latest poll by Borge and Associates, conducted from 27 to 30 December, was also disclosed last week. The results put Jose Maria Figueres one point above Miguel Angel Rodriguez (41.6 percent to 40.6 percent), although the PLN maintains a five-point lead over the ruling PUSC.

In terms of the political parties, the CID/Gallup studies indicate they have maintained the same level of support since August, when the first survey was taken following the June conventions. Figures shows that the gap between the candidates is narrowing, with Figueres dropping and Rodriguez gaining. Figueres enjoys the support of the majority of the electorate in the metropolitan area and voters less than 24 years old who have a secondary level education. Rodriguez, in turn, has the support of voters in the rest of the country, those less than 24 years old who have at the most completed a primary level education and those who describe themselves as undecided.

By way of example, one has to note that other CID/Gallup polls taken a few weeks before the previous elections show levels of support similar to the ones the current candidates have. For instance, in November 1985 Oscar Arias had a backing of 45 percent, whereas Rafael Calderon had 43 percent. Four years later Carlos Manuel Castillo had a support of 38 percent, and Calderon 43 percent. To be sure, the characteristics of those campaigns were different than the current one, as was noted earlier. The electorate perceives Miguel Angel Rodriguez more positively than Jose Maria Figueres. A total of 50.6 percent of Costa Ricans regard the Social Christian Party favorably and 30.2 percent unfavorably, leaving a positive balance of 20.4 percent.

Figures, in turn, receives a favorable opinion from 46.1 percent of the people and an unfavorable opinion from 35.1 percent. The difference is 11 points.

Comparing the results with the previous survey, Figures goes up 3.2 percent, whereas Rodriguez drops 2.9 percent.

Poll: Majority Favors Calderon's Administration

PA1601224594 San Jose LA REPUBLICA in Spanish 10 Jan 94 p 5A

[Text] President Rafael Angel Calderon has received the best evaluation in his entire term as president. The results of the latest Multispecialty Development Counselors (CID/Gallup) poll, which was conducted from 3 to 6 January 1994, indicate that favorable opinions on his administration surpassed the negative ones by 42 points.

Fifty-one percent of the 1,010 Costa Ricans polled by CID evaluated Calderon's work favorably. Out of those 616, 35 percent said his work had been very good, and 65 percent said it had been good. In addition, 37 percent maintained that his government's work has been neither good nor bad; 9 percent had an unfavorable opinion; and 3 percent did not reply.

Calderon started his government in 1990. The opinions against him were two points higher than the favorable ones in November of that year. He continued to fall in the ratings until he got to minus 25 points in July 1991, which was his lowest point. From then on the favorable opinions started to increase, however, mainly because the period of economic reforms "with a high social cost" ended and current Presidency Minister Rolando Lacle—who is responsible for the official government campaign called "Costa Rica excels" [Costa Rica se supera]—was appointed. This perception of improvement is more frequent among people with a higher education and those who are Social Christian Unity Party followers and who intend to vote for Miguel Angel Rodriguez.

It is evident that when the Calderon Fournier administration ends the president will have the satisfaction of having obtained the backing of most citizens, making him the president who has received the second highest rating from Costa Ricans. In increasing order, at the end of their presidential terms, Rodrigo Carazo had a minus 65 points, Luis Alberto Monge had plus 25, Rafael Angel Calderon plus 42 points, and Oscar Arias plus 60 points, which is the highest score received by a president.

As in Arias' case, a president's popularity or high scores for a good administration are not decisive factors to win a campaign, as, after Arias' term, his party's candidate, Carlos Manuel Castillo, lost the elections.

There is a relation between the political party, the president's opinion, and the way people perceive the country's future, however. The polls show that the Social Christians as well as citizens with a higher education are more optimistic when appraising the perspectives for the next two years. This indicates that the current government's work has given them confidence for the future. In total, 28 percent of Costa Ricans believe the future will be better, 29 percent that it will be worse, 28 percent that it will be the same, and 15 percent did not answer that question.

If two lines where drawn—one to measure pessimism and the other optimism—we could see how, according to the CID/Gallup studies, expectations have been decreasing constantly. In 1990, negative expectations scored 65 percent, and this figure stands at 29 percent. In contrast, the feeling that the country's situation is going to improve has shown a sustained growth. Only 6 percent of Costa Ricans thought this way 14 years ago, and 28 percent do so now.

On this occasion, the poll asked what special benefit did the community, where the pollee lived, obtain from President Calderon's government. In order of importance, the granting of bonds, especially for housing, and the building and repair of roads were the specific benefits the people mentioned more often. Less frequently mentioned were the community centers and homes developed by First Lady Gloria Bejarano. The latter was the opinion of 35 percent of the people polled. In addition, 47 percent of the citizens believe the government has done nothing for their community, and 18 percent had no opinion. The unfavorable opinions prevailed among those who live in the interior of the country and National Liberation Party followers.

Report Views Niehaus, Gaviria Candidacies to OAS Post

PA1701022894 San Jose LA REPUBLICA in Spanish 11 Jan 94 p 4a

[Report by Joe Alberto Briceno]

[Text] Actions by the large American countries, headed by the United States, were stepped up on 10 January to expedite the official announcement of Colombian President Cesar Gaviria's candidacy to the post of OAS secretary general, diplomatic sources have reported. Those sources have even said that in Washington the United States, Canada, Mexico, Argentina, and Brazil—the main promoters of Gaviria's candidacy—are the ones lobbying the most with other diplomatic representations to obtain the votes the Colombian president needs.

The sources have underscored that the United States does not want Costa Rican Foreign Minister Bernd Niehaus to head the OAS, because, according to them, he does not meet the necessary conditions.

The North Americans want a statesman to head the organization, because they expect this will be the means to get their inter-American policy implemented with more multinational criteria, just as has been cited by Bill Clinton's administration.

According to news agencies, the State Department has already obtained the support of Ecuador, Venezuela, Peru, and Bolivia for Gaviria's candidacy. Chilean Foreign Minister Enrique Silva Cimma has said his government views this candidacy with much interest, although President-elect Eduardo Frei will have to make the decision.

Costa Rican President Rafael Angel Calderon has said there will be "a hard confrontation with Colombia" if Gaviria formalizes his candidacy. He also reiterated that efforts will continue to unite all the small countries on the continent and elect the Central American and Caribbean representative.

Luis Guardia, the Costa Rican ambassador at the OAS, has told LA REPUBLICA that only Peru had advanced its backing to the Colombian in Washington and that this was not surprising, "because Costa Rica was the first country to protest after President Alberto Fujimori broke the constitutional order."

The Peruvian president has said his country supported strongly the Colombian nominee, and he said Gaviria is a statesman who also has a good integrationist spirit.

Guardia has explained that the 13 Caribbean countries have confirmed their support for Niehaus' candidacy and will maintain it if Central America "does not separate."

In talks with U.S. officials, Guardia has requested "they not take sides yet" and that, as has been their tradition, they not announce their choice until the end. Likewise, he has stressed the importance of respecting the management rotation principle, which prevails in Washington-based institutions, such as in the Inter-American Development Bank (IDB) and the Pan-American Health Organization.

Until now the Costa Rican minister has maintained the support of the 13 Caribbean and six isthmian states, as well as the Dominican Republic, Chile, Ecuador, and Argentina. The latter two seem to have modified their positions, however, according to reports coming from Santa Fe de Bogota.

Niehaus has said much speculation has been reported to stop the regional option, but he said: "We have a comfortable majority, and I am sure President Gaviria will think twice before making his candidacy official." He has charged that certain big countries consider they are "first category" countries and that small countries are "second category" ones and thus unable to manage inter-American forums.

Niehaus believes this attitude violates international law. He has added that the 28 March election will reflect if regulations will be respected or slighted.

El Salvador

PDC Candidate Chavez Mena Questions Poll Results

PA1401173194 San Salvador Radio Venceremos Network in Spanish 1800 GMT 13 Jan 94

[From the "Period, Same Paragraph" newscast]

[Text] Yesterday, Technical University Rector Jose Mauricio Lausel released the result of the fifth university poll carried out in December.

One of the main questions was: What political leader do you prefer? Here were the results: Armando Calderon Sol, 40.2 percent; Ruben Zamora, 22.2 percent; and Dr. Fidel Chavez Mena, 14.1 percent. According to this poll, Dr. Chavez Mena suffered a drop.

We spoke directly and exclusively with Dr. Fidel Chavez Mena, presidential candidate for the Christian Democratic Party [PDC] this morning. Chavez Mena raised doubts about the Technical University poll's credibility because the students filled out the questionnaires themselves, which, in his opinion, could cloud the poll results.

Dr. Chavez Mena says PDC-sponsored polls show both he and his party in second place. He called for public opinion to not be manipulated with polls like the university's.

FMLN Remains Second Leading Political Force

PA1501041794 San Salvador DIARIO LATINO in Spanish 13 Jan 94 p 24

[Text] The Farabundo Marti National Liberation Front (FMLN) remains the second leading political force in the nation with 23.4 percent in its favor, according to what Technological University (Utec) authorities disclosed today.

Utec Rector Mauricio Loucel said that among the approximately 2,061 citizens polled from the nation's diverse sectors, a total of 1,800 people—mostly of the younger generation—expressed their interest in the coming elections. A total of 40.2 percent expressed their preference for Armando Calderon Sol, ARENA [Nationalist Republican Alliance] party president and presidential candidate. Nevertheless, 56.6 percent of those polled said that the current government has not met its promises.

Likewise, 22.2 percent of those polled expressed their preference for Ruben Zamora, FMLN-CD [Democratic Convergence]-MNR [National Revolutionary Movement] presidential candidate, followed by Fidel Chavez Mena, PDC [Christian Democratic Party] presidential candidate, who obtained 14.1 percent. Chavez Mena slid, however, by 3.4 percent since the previous poll was conducted, Loucel said.

The Utec rector added that candidates Jorge Martinez from the MU [expansion unknown] and Edgardo Rodriguez, from the MSN [expansion unknown] continue to obtain 10 percent in their favor. This represents a gap too large to overcome in the coming days.

According to the results, the political parties most likely to have representatives in the Legislative Assembly are: ARENA, in first place, with 35 percent in its favor, followed by FMLN-CD-MNR, with 23.4 percent, and in third place, the PDC [Christian Democratic Party], with 15.2 percent.

With regard to the voting card, of the 1,800 interested in the coming elections, 88.55 percent have the voting card, while 11.45 percent do not.

Convergence Presidential Hopeful on Ex-Secret Service

PA1501035894 San Salvador Radio Cadena YSU in Spanish 1800 GMT 14 Jan 94

[From the "YSU Radio News" newscast]

[Text] The former secret service, known as S-2, must be investigated and eliminated once and for all, said Dr. Ruben Zamora, Democratic Convergence presidential candidate, today.

The leftist political leader explained that it is necessary to undertake a profound and in-depth investigation—which must also include the Army's Military Intelligence Battalion—to dismantle totally the apparatus that granted legitimacy to the so-called death squads.

Zamora believes these groups are very small and that they operate under the protection of the former intelligence services, and, therefore, they must be sought out and eliminated to end a yet unconcluded period of our history.

[Begin Zamora recording] It is much more possible now to struggle against them and eliminate them from our history.

I believe that, in this case, they must be sought out at the institutions in which they could exist; for instance, we know that the S-2, and the police are places in which the death squads had operated, and we know that in the National Police, for instance, they have hired personnel that were members of the Finance Police S- 2 and National Guard S-2. I would investigate there.

I believe the Army's Intelligence Battalion must also be investigated in this regard, as the former Secret Police, or the Army's former secret intelligence, has practically become the Intelligence Battalion. Those are the places where I think we should, or the Armed Forces themselves should, investigate to eliminate all of the personnel who could be linked to the past, which, I think, we all want to overcome now. [end recording]

In that same regard, the leftist presidential candidate said there is an apparent attempt at corrupting the National Civilian Police [PNC], which was created in accordance with the Peace Agreements. He also said it is necessary, therefore, to correct the mistakes that are being made, such as the transfer of the Commission to Investigate Criminal Actions to that institution.

[Begin Zamora recording] There is an apparent attempt to bias or corrupt—as I call it—the PNC project. What worries me most is the transfer to it of complete organizations, such as the Commission to Investigate Criminal Actions. There are people involved who are involved in tortures and the practices used in the past.

If you want to read about this, I recommend the last UN human rights report which, upon analyzing the case of Mr. Grimaldi [not further identified], clearly states that the United Nations already had the name of Grimaldi's assassin. They passed the name on to the Commission to Investigate Criminal Actions, and the commission refused, for one month, to put him in jail. [end recording]

Zamora reiterated the complaint of the FMLN [Farabundo Marti National Liberation Front] that the Supreme Electoral Tribunal [TSE] is resorting to what he called little tricks [triquinelas] of the past to carry out a fraud in the next elections, in light of which the pertinent corrective steps are already being carried out before the UN Observers for El Salvador.

[Begin Zamora recording, in progress] ...little tricks [words indistinct] by the TSE. I think that is incorrect; it must not be allowed, because this country must have absolutely open elections.

At the same time, I want to say that I have spoken to the other candidates, the Arena [Nationalist Republican Alliance] candidate and the candidate for the Christian Democratic Party, and they have both told me they think we must allow the political parties with their representation.

I do not mean to say that Dr. Fidel Chavez Mena or Dr. Armando Calderon Sol are involved in these little tricks. I want this to be clear, because I have spoken to them and they have said this to me and, to honor the truth, I have to say this. [end recording]

The country's complex situation regarding the fulfillment of the agreements, the development of the electoral campaign, and the TSE's work are worrisome. There is still a will to continue, however, working for the construction of democracy and the development of an open electoral process based on the mutual confidence of the political parties cited by Dr. Ruben Zamora.

Labor Minister Says ILO Agrees With Labor Code Reforms

PA1601193594 San Salvador EL DIARIO DE HOY in Spanish 15 Jan 94 p 5

[Text] Labor Minister Juan Sifontes said the International Labor Organization (ILO) agrees with the Labor Code reforms presented by the government.

The minister said that Arturo Bronstein, chief of the Legislation Section of the ILO headquartered in Geneva, sent him a letter dated 20 December describing the reforms as "important advances over the current Labor Code."

In the letter, Bronstein stressed that "the reforms follow the draft recommended by the ILO to a great extent." These reforms were made known in the "Forum for Economic and Social Consensus" formed by government, labor, and private enterprise sectors.

The ILO had recommended two changes to Articles 211, 214, and 228 dealing with the protection of union founders. Nevertheless, the minister explained that those articles referred to the "promoters," not the founders, as a result of which Bronstein expressed his total acceptance of the draft.

The Labor Ministry presented the Labor Code reforms to the Legislative Assembly at the end of 1993. The ILO's support of the reforms are in addition to the favorable report on labor rights issued by the U.S. Commerce Department.

The reforms were made in response to intense pressure from the U.S. Government, which threatened to suspend the Generalized System of Preferences under which some Salvadoran products are exempt from import duties. Some say that the ILO is dependent on U.S. trade unions interested in promoting trade unionism in the Third World.

Many analysts believe the new code might reactivate labor agitation in the country and block the reconstruction process.

Salvadoran union leaders have accused the government of breaking the "consensus" by presenting the draft reforms, indicating that they do not agree with some points. Nevertheless, the Legislative Assembly will have the last word.

Roundup of Economic Developments Through 17 Jan

PA1701225894

[Editorial Report] The following is a compilation of reports on Salvadoran economic developments monitored by Panama Bureau through 17 January; source follows in parentheses after each item.

Jose Roberto Orellana, president of the Central Reserve Bank of El Salvador, has reported that resources close to 650 million colones were channeled to finance private investments in 1993. He has said the government created Investment Loans Funds to help micro- and small-scale companies. (San Salvador EL DIARIO DE HOY in Spanish 12 Jan 94 pp 3, 33)

According to Ruben Pineda, executive director of the Salvadoran Coffee Council, during the first quarter of the 1993 to 1994 coffee harvest, El Salvador withheld 44,541 quintals, or 20 percent, out of a total of 222,705 quintals that were going to be exported. The average sale price for this period is $75.83 per quintal, whereas it was $68.40 during the 1992 to 1993 period. Pineda has credited the retention policy for the price increase. (San Salvador LA PRENSA GRAFICA in Spanish 12 Jan 94 p8)

Economy Minister Luis Enrique Cordoba submitted a bill on 13 January to the Legislative Assembly to privatize the sugar mills owned by the National Sugar Institute (Inazucar) and the Investments Corporation (Corporacion de Inversiones, Corsain). The bill states that 10 percent of the shares will be sold to mill workers, 50 percent to farmers, and 60 percent to the general public. (San Salvador EL DIARIO DE HOY in Spanish 14 Jan 94 p2)

Guatemala

De Leon Writes Clinton on Revision of Self-Defense Patrols

PA1801043594 Panama City ACAN in Spanish 0125 GMT 18 Jan 94

[Text] Guatemala City, 17 Jan (ACAN-EFE)—Guatemalan President Ramiro de Leon Carpio explained today to his U.S. colleague, Bill Clinton, the decision to revise the functions of the Civilian Self-Defense Patrols [PAC], state paramilitary groups that humanitarian organizations accuse of violating human rights.

In a letter addressed today to Clinton and released by the Presidency Public Relations Office, De Leon said that he has ordered turning the PAC, which operate in areas that are no longer indispensable, into "Peace and Development Committees."

The patrols, which consist of civilians whom the Army equips and controls, were created during the defacto government of General Efrain Rios Montt (1982-83) to fight the guerrillas in the interior.

These groups, made up mostly of Indians, have been accused by national and international humanitarian organizations of committing abuses against the indigenous population, which is why they have demanded that the government dissolve them.

General Mario Enriquez, Guatemalan defense minister, has recognized that the Army has some 520,000 patrolmen in various parts of the country, supporting 40,000 soldiers of the Armed Forces.

In the letter, de Leon also tells Clinton of the "first big objective" of his agenda, which is to consolidate democracy and the state of law "as a part of political order," for which he appreciates the "support and permanent backing of the United States."

For it, he says, there is a commitment to respect human rights and the multicultural reality of the country, to fight impunity and corruption, to promote decentralization, and to promote the people's participation.

He also informed him of the recommendations by Christian Tomuschat, an expert UN human rights adviser, which have been fulfilled, such as the restructuring of the presidential general staff, a military group that was also accused of serious abuses and telephone espionage.

Report Notes U.S. Adviser's 'Intervention' in Congress

PA1601011794 Guatemala City SIGLO VEINTIUNO in Spanish 13 Jan 94 p 4

[Text] Many deputies, particularly Unity [not further identified] faction members, have expressed their anger over alleged U.S. intervention through Political Affairs Adviser George Chester in the election of the new Congress Board of Directors.

According to the report, Chester has reportedly exerted pressure to have Deputy Carlos Acevedo excluded from the list headed by Vinicio Villar on which he appeared as a candidate to the post of first vice president of the Legislative Branch.

It was confirmed that the U.S. official went to the Legislative Palace yesterday afternoon and sat in the diplomatic box, where he talked with several deputies, including Cesar Porres and Rafael Rottmann of MAS [Solidarity Action Movement]. He was also seen talking with Carlos Acevedo shortly before Acevedo declined to run for first vice president.

The U.S. veto has reportedly occurred because Acevedo was included on a list of 16 deputies to be purged, and his election to such an important directorate board post would be considered "terrible."

When asked about this subject, Acevedo admitted that, in fact, he had been notified that the U.S. Embassy did not approve of his election, and that is why MAS demanded he decline the nomination, but he rejected the speculations, which caught most of the deputies' interest.

He believes "it was a false alarm, because I personally spoke with Mr. Chester and he assured me the embassy did not exert pressure." Besides, he said the diplomat told him he came to Congress only to observe the elections, to ascertain they were carried out within a democratic framework.

Acevedo has said he declined simply to remove an obstacle, to avoid being an obstruction, and to allow the negotiations to continue appropriately. Besides, he believes he has good relations with the U.S. Embassy, because he has even been praised for promoting the Narcotics Law and has been invited on numerous occasions to visit that North American country.

Army Ready To Begin Operations With Mexico Against Rebels

PA1601043194 Guatemala City PRENSA LIBRE in Spanish 14 Jan 94 p 2

[Text] The Guatemalan Army stands ready to begin joint military operations with Mexican military forces to counter the guerrilla uprising in Chiapas, as long as agreements to the effect exist between the governments of both nations, Armed Forces Spokesperson Edith Vargas de Marroquin said yesterday.

Although she recognized that the Mexican Army is well-organized and is capable enough to face and quell the rebels' actions launched on 1 January, the military spokesperson said that Guatemala could provide some logistical support, if requested by authorities of the neighboring country.

The statements by the military spokesperson came as news agencies reported that Mexican soldiers were approaching the Guatemalan border (10 km away) to counter the actions of the Zapatist National Liberation Army (EZLN).

Vargas de Marroquin explained that since the fighting in Chiapas began Salinas de Gortari's government has not officially informed them of the events, but Army units patrol the border areas to prevent any eventuality.

Regarding a possible entry of Mexican troops into Guatemalan territory, the officer explained she does not think that may happen, although Guatemalan soldiers have sometimes entered the neighboring country, chasing members of clandestine groups, the participation of which in the Zapatist movement has not yet been confirmed.

Concern over the PMA [Mobile Military Police]

Vargas de Marroquin also stated that the military forces have expressed their great concern over recent bank robberies, because police investigations indicate that members of the PMA are involved.

To avoid that situation, Vargas de Marroquin added, the Army has decided to review each of the contracts, as well as the weapons of agents assigned to the security of private enterprises. In addition, the military officer said that Obdulio Carias Garcia, who died in the robbery of Banco Uno, located in Vista Hermosa, was one of the security agents.

Eustaquio Ramos Vasquez and Pilar Florian Cordero, who were arrested the evening of 12 January, the National Police have reported, also participated in that action. The Information and Press Department of the Army (DIDE) has confirmed those individuals are PMA members.

Presidential 'Sources' Disclose Upcoming Cabinet Changes

PA1401142494 Guatemala City PRENSA LIBRE in Spanish 13 Jan 94 p 2

[Text] Yesterday, presidential sources revealed that on Tuesday [11 January] President Ramiro de Leon Carpio decided to appoint Gladys Marithza Ruiz Sanchez de Vielman as foreign relations minister to replace Arturo Fajardo Maldonado.

The president held two meetings on Tuesday, one at 1000 with the current foreign minister and another at 1200 with Ruiz de Vielman, after which time he decided to make the cabinet change.

Mrs. Ruiz de Vielman, who is married to well-known banker Julio Vielman, has specialized in international affairs and is an expert in GATT issues. She is Guatemala's permanent negotiator to the EC on banana issues. She has held that post through three governments, during which time, in turn, there have been eight foreign ministers. This is because her work has been technical and satisfactory for official circles, according to the source who disclosed President de Leon's decision. The source, however, requested his name not be disclosed.

Mrs. Vielman has been a member of the board of directors of the Guatemalan Association of Lawyers and Notaries (1986) and president of the Association of Women Lawyers and Notaries. Currently, she is a member of the board of directors of the Guatemalan-American Institute and a member of the Center for the Defense of the Constitution. She will take the oath of office next Wednesday [19 January], and the president of the Republic will officially announce her appointment on 15 January.

The Coordinating Committee of Agricultural, Commercial, Industrial, and Financial Associations leadership met yesterday with President Ramiro de Leon Carpio to discuss the current economic situation and the results that could be obtained from the referendum.

It was learned that during the meeting with the business leaders, the president announced his government's plans for reactivating the economy for 1994-95 as well as some changes in his work team.

Other changes announced by the president include: Finance Minister Richard Aitkenhead will be replaced by economist Ana de Molina, who is the private secretary of the presidency of the Republic, and banker Eduardo Gonzalez Castillo will become the minister of economy.

De Leon Carpio also told the businessmen he was optimistic about the results of the referendum because he is sure the yes vote for constitutional reforms will win, and that the changes will improve the economic, political, and social picture of the country. The meeting was held at the presidential palace.

Government Employees Protest Planned Referendum

PA1501005694 Guatemala City Teleonce Television in Spanish 1900 GMT 14 Jan 94

[From the "Telepress" newscast]

[Text] Public workers began a series of demonstrations today, Friday, against a referendum slated for 30 January. Trade unions, human rights defense groups, and other people's organizations staged a demonstration to voice their opposition to the referendum, claiming that the changes to the Constitution do not meet their expectations.

The government employees unions which demonstrated this morning demanded a 40-percent salary increase, claiming that the price increases for consumer basket articles are extremely high compared to current salaries. Leaders of the government employees unions that participated in the demonstration announced that they are calling on all government employees unions to participate in a strike on 28 January.

The demonstration, which was slated to begin at 0900, did not start until 1030 because the demonstrators did not arrive on time. The leaders were forced to make emergency calls to begin the march that left from the El Trebol area and went down Bolivar Avenue to the downtown area. The demonstration ended at the main plaza.

The national police carefully watched the demonstration to prevent any infiltrations by other individuals. There were no problems during the demonstration.

Report Cites 'Yes,' 'No' Vote Campaigns for Referendum

PA1601232394 Paris AFP in Spanish 2028 GMT 15 Jan 94

[Report by Gonzalo Marroquin]

[Text] Guatemala City, 15 Jan (AFP)—Just two weeks before the referendum to approve or reject the reforms to the Guatemalan Constitution, the "yes" and "no" campaigns have intensified, while division and uncertainty increase among Guatemalans.

With Guatemalan President Ramiro de Leon Carpio at the head and backed by a million-dollar publicity campaign, the "yes" alternative has become stronger during the past weeks. The opposition is divided among those who support the "no" and those who are calling for abstentionism but do not have the resources to compete with the powerful publicity program displayed by the group calling for the "yes."

De Leon Carpio has told AFP "the yes will win" in the 30 January referendum and said he was confident that "for the first time in Guatemala's history, a state's constitutional mandate will be interrupted without using force or measures of coup d'etat."

The only poll published up to now is the one by the magazine CRONICA. It has revealed that 70 percent of the people registered to participate in the referendum supports the approval of the constitutional reforms, although most people, not only in the rural areas but in the capital city too, are not familiar with the reforms they will approve.

Among the reforms—43 in all, including temporary articles—is the reduction of the legislative period for deputies and Supreme Court justices. Those two arguments strengthen the official campaign, which emphasizes "the exit of the deputies" who have been accused repeatedly of corruption.

The following political parties have joined the group that supports approval of the reforms: Guatemalan Republican Front (FRG), Union of the National Center (UCN), and Nationalist Authentic Central (CAN). The Guatemalan Christian Democracy (DCG) and other minority organizations will soon join officially the yes group.

Furthermore, and although it has not been stated openly, the business sector, which is represented by the Coordinating Committee for Agriculture, Commercial, Financial and Industrial Associations (CACIF), the Catholic Church, and the Army, apparently also support the yes vote.

Meanwhile, the opposition is too divided and does not have the resources to obtain positive results, according to Guatemalan political analysts. The "no" vote has been openly favored by the National Vanguard Party (PAN), the Guatemalan Workers' General Central Organization (CGTG), and several media sectors.

The largest opposition is in the people's organizations, and those reject holding the referendum. This sector includes the so-called Multisectorial Social Forum (FMS) [Foro Multisectorial Social] and the Labor and Popular Action Union (UASP). Approximately 1,500 peasants from those organizations marched to oppose the referendum on 14 January. The UASP has also warned that it will take "measures" to boycott the voting process and has threatened to place barricades and seize buildings to draw the people's attention.

All of those actions seem to be insufficient to stop the victory of the "yes" vote, however, because, in addition to the strong publicity campaign in its favor, it is expected that the government will transport people to vote in the interior of the country. Local analysts estimate that at least 50 percent of the 3.4 million Guatemalans who can participate in the process will cast their vote, although there is a large amount of people who have no possibility of knowing the reforms to the Constitution, as they can neither read nor write.

National Congress Elects DCG's Villar New President

PA1601200294 Panama City ACAN in Spanish 1222 GMT 13 Jan 94

[Text] Guatemala City, 13 Jan (ACAN-EFE)—Christian Democratic Deputy Marco Vinicio Villar Anleu on 12 January was elected president of the Guatemalan National Congress to replace fellow Christian Democrat Jose Fernando Lobo Dubon.

Villar Anleu, who represents the northern Quiche Department and is chairman of the Foreign Relations Committee, won the support of 70 of the 91 deputies who attended the regular evening session of Congress.

The Guatemalan Christian Democracy [DCG], the Solidarity Action Movement [MAS], dissidents of the Union of the National Center [UNC], the Guatemalan Republican Front [FRG], and minority parties supported Villar's slate, made up of three vice presidents and eight secretaries.

DCG Secretary Alfonso Cabrera and Deputy Obdulio Chinchilla Vega, who returned to his seat on 12 January after losing an eye in an attack in May 1993, headed the negotiations to draw up Villar's slate.

Villar, who was head of the DCG bloc last year, ran against the slate headed by Carlos Perez Castaneda and made up of UCN and FRG candidates, which received the remaining 21 votes.

Neither the 12 deputies of the National Vanguard Party (PAN) who had resigned nor their alternates attended the regular session headed by Lobo Dubon.

Villar will be sworn in on 14 January by Lobo Dubon, who acknowledged Villar's victory on 12 January at a solemn session. One of Villar's first tasks will be to listen to the government report that President Ramiro De Leon Carpio will present on 15 January.

This directorate will not complete its one-year term as established by the Constitution because if the yes vote wins in the 30 January referendum, Guatemalans will elect a new Congress this year.

The Congress Directorate is composed as follows:

President: Marco Vinicio Villar (DCG)

First Vice President: Jorge Alberto Monroy (formerly of UCN)

Second Vice President: Marco Tulio Merida (MAS)

Third Vice President: Juan Francisco Alfaro (formerly of UCN)

First Secretary: Clodoveo Dominguez (DCG)

Second Secretary: Eduardo Mendez Pinelo (formerly of UCN)

Third Secretary: Francisco Reyes Ixcamey (formerly of FRG)

Fourth Secretary: Rafael Oliveros Ramirez (MAS)

Fifth Secretary: Edna de Ruano (formerly of UCN)

Sixth Secretary: Felipe Franco Trujillo (MAS)

Seventh Secretary: Pedro Gomez Chavez (formerly of UCN)

Eighth Secretary: Jose Aguirre Quinteros (PID) [Democratic

Institutional Party]

Honduras

Discua on Human Rights, Military Council

PA1401185894 Tegucigalpa Voz de Honduras Network in Spanish 1832 GMT 11 Jan 94

["Exclusive" interview with General Luis Alonso Discua Elvir, Armed Forces commander in chief, by Raul Valladares in Tegucigalpa on 11 January—recorded]

[Excerpts] [Valladares] What is your opinion on the report issued by National Human Rights Commissioner Leo Valladares Lanza?

[Discua] I think it is incomplete. He said it is a preliminary report, and it does not mention criminal actions that occurred at the time—kidnappings, sabotage, bank robberies, murders. I want to mention this because many people were kidnapped and killed in the course of Police operations. Consequently, I believe there are widows and orphans who also have the right to be taken into consideration by the human rights commissioner.

[Valladares] Do you remember the names of the kidnapped persons?

[Discua] I remember the names of people who were the subject of extortion. I apologize to the honorable people I will mention here. They were published by the press, so I can mention them. Everything I will mention was published by the press at the time. I repeat, there is nothing in the Armed Forces files in connection with the missing persons problem.

I can mention Dr. [Paul] Vinelli, who was released after a ransom was paid. I do not know the amount because it was never mentioned but it was certainly reported by the press. Mr. [first name not given] Casanova. When he was released, some Police members died [five-second break in reception].

[Valladares] Gen. Gustavo Alvarez Martinez appointed you commander of the 3-16 Battalion in 1984. Majors Oscar Rene Barahona and Vicente Rafael Canales were your subalterns. Tell me something about the 3-16 Battalion. What was the objective when it was created?

[Discua] Look, it is not a squad, it is a combat intelligence battalion. If Gen. Alvarez Martinez made the appointment, I was not summoned until 15 January that same year. At the time I was, first of all, a member of the Army staff. I assumed the responsibility of that post on 1 January, excuse me, on 1 February 1984, and the unit was organized. The unit did not exist prior to 1984.

I was entrusted with the mission of organizing the combat intelligence unity, the objective of which was to carry out intelligence missions in support of the three infantry brigades that existed at the time. They were the 110th, 105th, and 101st. If you add all three numbers you get 316. The brigade's mission was to provide combat information and intelligence in support of these three brigades, which at that time could have become involved in a war at any moment.

That is when I was assigned to this brigade. I left the country to seek advice from U.S. Army Intelligence, and I visited several intelligence units. I visited the Combat Intelligence School—I want to clarify this to avoid any misunderstanding. I then drafted a bill, which I have with me, that clearly defined the unit's mission. I left that unit exactly at the end of March. On 6 April, I was appointed to the 100th Infantry Battalion.

[Valladares] How long did you head the 3-16?

[Discua] As I said, I was assigned to it for two months, but I spent very little time there because....[pauses] If you check the immigration records, you can see that I spent most of the time in the United States or in other places seeing how this combat intelligence support unit should be formed.

[Valladares] Leo Valladares' report alleges that this squadron kidnapped, tortured, and killed several Hondurans during the eighties. What orders did you issue when you occupied the post? Do you really think this battalion had nothing to do with what is said, or did it turn bad?

[Discua] I can only vouch for the time that I was in charge. After 6 April I was assigned to the 5th Battalion, then the 9th Infantry Battalion, and from there to the chief of staff of the Public Security Force, where I was stationed for only two months. From there I was assigned to the 2d Infantry Battalion. I cannot answer for the rest of the time because immediately afterward I became totally detached from it. This can be proved...[pauses] the same documents that were presented...

[Valladares, interrupting] You didn't issue any orders?

[Discua] At no time. I am a good Catholic, therefore I do not do what I do not want done unto me. I never issued such an order to any person under my command. My problem was how to organize it, and I presented a draft bill.

[Valladares] General, the people are closely following this interview on HRN. You never issued orders to arrest anyone?

[Discua] Never.

[Valladares] Do you believe military members who were part of the 3-16 Battalion should be investigated?

[Discua] I want to say that the intelligence battalion was dismantled by an agreement in 1987. In other words...[pauses] I have the agreement here with me. It is Agreement 21-92 of the commander in chief of the Armed Forces, who at the time was Gen. Humberto Regalado. The agreement says to deactivate the Logistic Support Command, the Communications Corps, and the

3-16 Intelligence Battalion. It says to activate from 1 September 1987 the 1st Communications Battalion and the Army Logistic Support Battalion. It is clear here. You can see it here.

[Valladares] General, what can you say about the request made by Cofadeh [Comittee of Relatives of Missing Detainees in Honduras]?

[Discua] Well, what can I say? Every Honduran citizen definitely has the right to resort to every legal resource available. If there is going to be justice in this country, it is first necessary for the report on that period to be completed. That report is incomplete. I call on all those widows, people who were tortured, and orphans who have not appeared before the human rights commissioner to do so, because I think it is necessary to complete the report. Because if ...

[Valladares, interrupting] Is the report incomplete?

[Discua] It is totally incomplete. By 1991 an amnesty had been declared, and several of the people who reentered the country affirmed that they had participated in kidnappings, holdups, and deaths as well as the murder of Gen. [first name indistinct] Martinez. Those statements were broadcast and printed by the media for everyone to see. Back then they were common crimes because they were criminal acts, yet the amnesty protected those people. They were never put on trial because they took advantage of the amnesty. The presidency of the Republic and the Armed Forces ratified and supported the amnesty, which gave ample protection to everyone who participated in criminal acts.

[Valladares] Congress has approved three amnesties in the past decade. Should those three amnesties also include the military?

[Discua] We should carefully analyze the law in this respect. I do not have a copy of the amnesty that was declared during that period. However, I would like to say that the last amnesty, Decree No. 87-91, which appeared in the official gazette, reads: To provide wide and unconditional amnesty to all persons sentenced, indicted, or subject to arraignment in any court of the Republic charged with political, common, or related crimes included in Chapter 12 to 9, both incorporated into crimes against the security, interest of the state, penal code, and so forth. Further on it says: Chapter 1 of the military code related to political crimes committed prior to the effective date of the present decree; in other words, the amnesty is blanket and unconditional since many people benefited at the time. Those persons were in one way or another involved in kidnappings, deaths, and murders during that period.

[Valladares] General, what can you say to the Honduran people about reports indicating that you could be called to testify in court?

[Discua] I can say sincerely that I feel at peace. If I did not meet with the media at an earlier date, it was because I do not like to discuss certain issues in public. I respect the media a great deal. Threats have been made against me through the media, and some serious words have been used against me.

[Valladares] Personally, how do you feel?

[Discua] Personally, I feel at peace. I am a bit annoyed because I think that sometimes people make decisions based on emotions, resentment, and hatred. I understand their pain. I think we should respect each other. I do not insult people nor do I try to do it because that is not my style. I repeat: I respect all human beings because that is how I was raised. [passage omitted]

[Valladares] I have two final questions. Do you feel completely innocent in the case of the missing people? Yes or no.

[Discua] Yes, definitely.

[Valladares] How do you view the support the Superior Council of the Armed Forces has given you?

[Discua] The Superior Council has been informed of all these events because I visit all the units, one by one, and I issue reports. I do not ignore the fact that I have adversaries in the institution. Remember that I am head of the institution. I am the shield of the institution. I represent the institution. Therefore, I am the target of all sorts of attacks. I, Luis Alonso Discua, am at the head at this moment, but it could have been somebody else. That other person would be facing the same situation, because right now there is an Army reduction policy in effect. Situations are being sought out to justify the elimination of some institutions.

But remember, we are independent. We have our own national identity. The Armed Forces have the fundamental mission of safeguarding this country's democratic system. This is first, and we will always struggle for a legal state and for respect for everybody's rights.

[Valladares] What message do you have for the Honduran people, who are listening to you because as you have said, they had been waiting for you to make this type of statement?

[Discua] First, I want to apologize to the Honduran people for not having addressed the situation before; not out of fear, no. I did it because I do not like confrontations, I do not like to speculate. I represent a very serious institution and I respect other people's suffering. I respect all people, especially the ladies who at one time or another have referred to me in a very nasty way. I respect their opinion. I accept their pain, but I believe that people should not be prejudged, that accusers should resort to the services to which all citizens are entitled.

Nicaragua

Costa Rican Envoy Criticizes U.S. Position on OAS Candidate

PA1501212794 Managua BARRICADA in Spanish 15 Jan 94 p3B

[Report by Vilma Areas M.]

[Text] Victor Hugo Vargas, Costa Rican ambassador to Nicaragua, has described as "unacceptable and counterproductive" the acts by U.S. Government officials against the candidacy of Bernd Niehaus, Costa Rican foreign minister, to the post of OAS secretary general.

During an interview with BARRICADA, Vargas felt "that attitude causes rejection, and is humiliating, totally unacceptable, and counterproductive."

"What is unacceptable and constitutes a disgrace is that certain haggard officials of the Clinton administration are trying to twist the arm of serious, democratically elected, sovereign, and, therefore, autonomous governments to withdraw their support for Dr. Niehaus' candidacy," the official explained. Running for the top OAS post are Niehaus, whose selection was announced from the start as the choice of a region, Venezuelan Miguel Angel Burelli Rivas, and Colombian President Cesar Gaviria.

"Costa Rica is not a military power, nor does it wish to become one. It is not an economic power nor can it be one. It is a moral power, and that is why the community of nations respect and appreciate us, the ambassador said, after noting that the governments of Central America, the Caribbean, Argentina, Ecuador, and Chile have expressed their written support for Niehaus. [no closing quotation mark as published]

"The Niehaus candidacy has sufficient backing to win, and we are only waiting for those haggard officials to understand once and for all that dignity is not negotiated, the authority of the peoples and governments has to be respected, and that the freedom to elect and be elected must be an example that is shown every day through deeds and not through hackneyed phrases on which some use to trample governments that dare to think and act with absolute liberty," he warned. The election will be held the last week of March in Washington. "It is a time that is particularly important for Latin America, and Central America hopes that U.S. pressure will cease so that rationality and the free choice of the peoples and governments will prevail, as they are tired of being told by Washington what to do, how, and when," Vargas said.

Costa Rica, as does Venezuela, insists on the advisability of a healthy rotation of that important post. Central America's fundamental objective from that post is to "turn the organization into a instrument that contributes to the real development of the Latin American countries, in line with the circumstances under which we live."

Giving his personal opinion, he said he interpreted the U.S. pressure as "a wish by the Clinton administration to prevent a small country from holding that vital post. I have not heard sound arguments against it, just that Costa Rica is a very small country, as if that were an obstacle to run for such an important post."

Lacayo: Government Supports Constitutional Reforms

PA1401142594 Managua Radio Nicaragua Network in Spanish 1100 GMT 12 Jan 94

[From the "This Morning" newscast]

[Text] Presidency Minister Antonio Lacayo has paid a courtesy visit to new National Assembly President Luis Humberto Guzman. According to Lacayo, they discussed current national problems and especially the urgent need to step up the discussion and approval of certain laws, such as the military organization law.

In response to reporters' questions concerning the possible results of the constitutional reforms, Lacayo said the government is willing to adhere to and approve everything that is decided at the assembly as a means of contributing to political stability.

[Begin recording] [Lacayo] We would like to establish fluent and harmonious communications between the state branches from the beginning of this legislature, in keeping with our political Constitution. We discussed the legislative agenda for 1994, the partial reformation of the political constitution, the military organization law, and a possible consumer protection law. We very much agreed on these issues, which in my opinion is an accomplishment [words indistinct]. I was very pleased with the meeting.

[Unidentified reporter] Engineer, Cardinal Obando y Bravo, General Ortega, and [LA PRENSA Director] Pablo Antonio Cuadra have called for a forum for reflection. Does this replace the national dialogue?

[Lacayo] A national dialogue can have many expressions. Any attempt to resolve issues through conversation, forums, and exchanges is part of the national dialogue. Dialogue can be described as a legitimate fighting tool currently used by the Nicaraguan people—a tool which has gradually replaced the violent methods used in the past that are now history. Any forum that is opened, regardless of who its promoters are, can be very positive if it is used to converse and debate ideas, and it should not be viewed as a substitute for anything; instead it should be viewed as a complement to other dialogues, forums, and mechanisms of rapprochement between our society's members. I take a very positive view of every effort made to contribute to the healthy discussion of ideas.

[Reporter] Eng. Lacayo, the government and certain National Opposition Union [UNO] deputies have said they will support the constitutional reforms. Perhaps these reforms will be taken from the reforms bill approved in November by the Sandinist National Liberation Front and UNO. Some of the articles in the bill, however, state that blood relatives like you, for example, cannot participate in the government or something to that effect. Yesterday, [Liberal Constitutionalist Party President] Arnoldo Aleman said that in accordance with this, you should withdraw from the government. I would like your comments on this issue.

[Lacayo] As a government official I will be subject to the country's current laws and Constitution and I have no problem with that. When the Constitution is reformed, I will adhere to those reforms. The legislators must know what is best for the country. Furthermore, we would like to work very closely and in consensus with the branches of state, and I believe the reforms that will be made this year will serve to unite the Nicaraguan family and not deal low political blows like the one Mr. Aleman told you. [end recording]

Factions Express Goals for New Legislature

PA1401161794 Managua BARRICADA in Spanish 9 Jan 94 p 7

[Report by Jorge Katin]

[Text] The intentions of the leaders of the various factions—which we are mentioning here—to form a different National Assembly makes one optimistic.

Our society neither wants nor needs a legislature that is a political "boxing ring." We need a legislature that will get involved in solving Nicaraguans' daily problems.

The 10th legislature offers, as something new, the creation of a political council that is thus far made up of four factions. The success of the project will depend on its political tolerance.

The proposed agenda begins with a discussion of constitutional reforms, other laws such as that on military organization, and finally, the approval of the new labor code.

The reforms to the internal statutes hint at the possibility for shared leadership rather than the superpower of previous presidents. That should guarantee that past arbitrary actions, such as those by Alfredo Cesar, will not be repeated.

The initiatives of the Christian Democratic leadership as head of the Assembly remain to be seen, but with no fewer than 70 deputies, the political legitimacy of the legislature is unquestionable.

The agreements among the factions—the Center Group, the UDC [Christian Democratic Union], the Unity and Reconciliation group, and the FSLN [Sandinist National Liberation Front]—guarantee the functionality and political legitimacy of the National Assembly.

Following the fruitless period when Cesar was assembly president in 1993, we have entered a period of openness and improved conditions for the advancement of democratization.

That means we must first approve a series of necessary laws beginning with constitutional reforms. As the Center Group, we have our own opinion about how these reforms should be made.

There is also the Law on Military Organization, which we think is vitally important in the process of reorganizing the law. This law must establish the extent of the Armed Forces' independence within our social life.

Nicaragua also needs an updated labor code. The discussion of this law is very advanced. We are also interested in approving laws to protect the environment.

We have expressed the need to organize the laws concerning the economy, but we are most interested in giving a true dimension to the Legislative Branch. This branch has been pushed aside by the excessive power granted the presidency by the Constitution and because of our own traditions.

We do not want to ridicule the role of the executive branch, but we do want a balance in the harmonious interrelationship among the state branches.

Latin American governments tend to give prominence to presidential figures, and we find no reason to break with the predominate characteristics of our geographic and political surroundings.

The Blocs' Political Council

This is one of the features of the new democracy that is emerging in the Assembly. The four blocs will assume responsibility for the stability of the Assembly.

Through consensus, we will do our best to try to coordinate different opinions on laws and political situations so legislative work is not delayed.

Rather than being viewed with suspicion or as based on personal interests, this should be seen as the deputies, who are backed by a considerable number of voters, deciding to join forces to make up for time lost in legislative matters.

The Self-Marginalized

Those 20 deputies must take a firmer stand. They must accept the fact that they have lost this political fight as their proposals did not receive enough support. They must either return to their seats at the plenary or resign from them.

They cannot continue with the defeated "parliamentary guerrilla" tactic because it hinders the efforts, which show great prospects for advancement, to regulate the Assembly's work and thereby make Nicaraguan society more orderly.

The Center's Perspectives

We have seen that the Center's position has gained great acceptance in large sectors of Nicaraguan society in the sense that extremes damage the country and that common sense must prevail at all times.

This acceptance opens enormous possibilities for the Center's position to develop further in Nicaragua and to gain more supporters who favor reconciliation and development with political stability.

The year ended with very good prospects as the Blocs' Political Council was established. This group will promote a positive climate at the National Assembly and will further the regularization of activities. Such a climate must be projected to the nation.

The Council's first mission is to promote the package of constitutional reforms, which still must be defined. The basis of this discussion should be—according to my Bloc—the reforms already discussed between the FSLN and UNO [National Opposition Union].

We are determined to expedite the Army's professionalization process with the promulgation of the Military Organization Law, which will give soldiers stability in their posts but also impose deadlines for promotions and retirements.

Discussions on the Labor Law are pending, and they must include businessmen and unions.

The Property Law is also very important and should be approved during this period. This law should give guarantees to the legitimate beneficiaries of Laws 85 and 86, punish those who abused its spirit, and make reparations for damages to those who suffered unjust confiscations.

Consensus in the Council

This Political Council is made up of three representatives from each faction, and each faction has a vote. We will try to work by consensus, not by which party has the most deputies. We have already agreed upon that.

If we have already agreed to back the reforms, I am absolutely sure that the Council will work for a consensus and will agree on everything that we need to discuss.

UNO Will Become Liberal-Conservative

The UNO breakup has not ended. The climax was the expulsion of the UDC, the MDN [Nicaraguan Democratic Movement], and the APC [Conservative Popular Alliance]. I guarantee that in three months the Communists and the PAN [National Action Party] will be out, along with anyone else who is not a member of either the Liberal or Conservative Parties.

The deputies from these parties must join the Assembly. They cannot continue last year's little game. They must understand that there is no change in government until 1996, not because we decided it would that way but because the people decided it, and that is part of the Constitution.

If the presidential term is to be reduced, it will be done after the new elections and not before.

The Quest for Harmony Among the Branches

The reforms are intended to democratize the administration of the state branches. There is an imbalance between the Executive and Legislative Branches. One example is the way Supreme Court magistrates and the comptroller general are chosen.

A void will be filled. We must admit that this Constitution was tailored to the previous regime in the aftermath of a revolution. This Constitution was drafted with a great deal of passion; it has gaps and contradictions.

Power will be taken away from the Executive Branch in view of the fact that this is a presidential Constitution. Many characteristics of the legislative branch were assigned to the executive branch, and that is the mistake we are going to correct. However, we are not going to distribute obligations—obligations that the executive branch should have—to work in a rational, balanced way when the time comes to make national decisions.

FSLN Ratifies Support for Reform Agreement With UNO

PA1401163794 Managua BARRICADA in Spanish 13 Jan 94 p 8

[Report by Jorge Katin]

[Text] Yesterday, the Sandinist National Liberation Front [FSLN] reiterated its support for the draft bill signed on 29 January with the National Opposition Union [UNO] to reform the Constitution. FSLN Secretary General Daniel Ortega noted, "this document has the largest political support in our country."

Nevertheless, the Sandinist leader spoke out in favor of holding open town council meetings to debate the document, composed of 120 reforms, so the people can express their points of view. He also supported the idea that the diverse state branches be consulted on this issue.

After meeting with Legislative Assembly President Luis Humberto Guzman, the FSLN secretary general remarked the reforms in the economic and fiscal fields should be given top priority to secure the nation's economic independence.

On the controversial reform that prevents relatives of the president of the Republic—whether by marriage or blood—from holding posts in the cabinet or having electoral aspirations, Ortega said it should be approved as agreed to by the UNO and the FSLN.

Ortega argued: "When we drew this up we did not have any name in mind, what we had in mind was to clean up public administration. We cannot allow the installation of a new dynasty."

Ortega demanded the Legislative Assembly address the serious problems facing producers, who "are being penalized by the financial system."

On the military organization law, the FSLN leader said it is part of the FSLN parliamentary wing's agenda and this law should be approved by consensus.

Meanwhile, Legislative Assembly President Guzman affirmed the UDC [Christian Democratic Union] will make its own draft bill on the reforms public in the next few days. Nevertheless, he acknowledged his party's commitment to sign the draft bill agreed upon between the UNO and the FSLN.

"We insist," said Guzman, "that the reforms cannot be cosmetic." Guzman also praised writer Pablo Antonio Cuadra, Cardinal Miguel Obando y Bravo, and General Humberto Ortega's effort to halt violence and criminal activity in the countryside.

FSLN's Borge on Party Reorganization, Upcoming Congress

PA1401220294 Managua EL NUEVO DIARIO in Spanish 13 Jan 94 p 8

[Report by Mario Sanchez P.]

[Text] Masaya—At a meeting with department leaders and Sandinist National Liberation Front [FSLN] congress delegates, Commander Tomas Borge, who is president of the committee organizing the special congress to be held by the party in May 1994, commented on the need to restructure and reorganize the party and even announced the possibility of increasing the number of members in the National Directorate.

Borge also said that the organizing committee is studying the possibility of women representing up to 35 percent of the FSLN National Directorate and the Sandinist Assembly, and that they even run for positions in the government or at municipal levels.

The Meeting With the Department Committee

Borge attended a meeting held by the FSLN Department Directorate Commission. The meeting was headed by Deputy William Ramirez and attended by the delegates to the first Congress, who will represent Masaya's Sandinist grass roots at the special congress to be held in homage to General Augusto Cesar Sandino at the end of May.

In addition to calling upon the Sandinist grass roots to work hard, Commander Borge urged them to begin immediately a strong campaign that will result in an FSLN victory in the 1996 elections and a return to government.

Regarding Changes

Regarding the structural, organizational, and party bylaw changes, Commander Borge talked about the possibility that the FSLN Congress approve the increase of at least five more members to the National Directorate as well as the appointments of a party president and secretary general.

He explained that the president will represent the party both nationally and internationally and will substitute for the secretary general when he is sick or out of the country.

The secretary general will be in charge of the party's most important activities as he will be responsible for party operations.

Finance Secretary

Borge also reported that they are studying the possibility that the FSLN Congress appoint secretaries in the fields of finance, organization, international relations, and territory.

He called upon the Sandinist grass roots to work tenaciously to prepare the conditions for the FSLN to win the 1996 elections. The FSLN commander added that to further this end, the party program must interest and be approved by the people; it cannot be based on proposals that cannot be kept.

Likewise, he also called upon the Sandinists to maintain and increase the people's faith in the Sandinist Front and its leaders. Thus, he said, Sandinists must always speak the truth and not get involved in political plots because this will make people lose their faith in the Sandinists.

Assembly President Says Military Bill To Be Approved

PA1401235294 Managua LA PRENSA in Spanish 13 Jan 94 p 4

[Report by Ariel Montoya]

[Excerpt] National Assembly President Luis Humberto Guzman said yesterday that the Military Organization Bill will be approved during the first quarter of the year "at the latest." This bill would establish the term of high-ranking military officers in office and could expedite the dismissal of General Ortega from EPS [Sandinist People's Army].

Guzman, who met with Presidency Minister Antonio Lacayo yesterday to exchange views on the relations they will maintain in 1994, said he discussed with Lacayo different issues, among them constitutional reforms and the Military Organization Draft Bill, placing emphasis on the latter.

The leader of the Christian Democratic Union (UDC) and now assembly president is one of the political analysts who has conducted in-depth studies on the

Nicaraguan Armed Forces' role and has repeatedly asked for the dismissal of Gen. Ortega, whom he called a "politician in uniform."

Guzman explained that he has good intentions so that relations between the Legislative and Executive Branches will be positive in the present period. "Despite the fact that the Constitution has certain defects, we will seek to avoid differences in relations between both state branches, and there is a clear desire to establish a good relationship," Guzman said.

During yesterday's meeting, which both politicians considered one as a "courtesy," they discussed the issue of reforms to the current Constitution proposed by the FSLN [Sandinist National Liberation Front] and UNO [National Opposition Union], among which appears the nonparticipation of close relatives of the president in the government.

Regarding that issue, Lacayo said he would observe the existing laws, arguing that legislators "will know what is best for the country." Should this reform be approved, the presidency minister would have to resign his post, because he is a close relative by marriage of President Chamorro. [passage omitted]

Presidency Minister Says Army Willing To Reduce Forces

PA1401232794 Managua EL NUEVO DIARIO in Spanish 14 Jan 94 pp 1, 4

[Report by Aura Lila Moreno]

[Text] Presidency Minister Antonio Lacayo has said that while most government institutions have refused to reduce their personnel, claiming they are all necessary, the Sandinist People's Army, EPS, is willing to reduce its forces from 15,000 to 12,000 in view of the current situation in the country.

During a lecture on "The State and Human Rights" at the first national forum on "State, Society, Armed Forces, and Human Rights," Lacayo has said the Army does not object to reducing further its forces, and, consequently, its budget.

According to Lacayo, during a cabinet meeting on 12 January there was practically a "rebellion" when ministers were asked to reduce their respective budgets. "No one believes it can spare a single employee," Lacayo said when commenting on the cabinet members' reaction.

EPS Promotes Human Rights

He added, however, that during that meeting EPS offered to reduce its forces from 15,000 to 12,000. According to Lacayo, very few armies in the world have accepted, and even promoted, such a drastic reduction in its military personnel when there has been no military defeat.

During the forum, whose general objective was incorporating the doctrine of human rights to the Armed Forces, Lacayo said that EPS has not been known to violate human rights since 1990. On the contrary, "it has made efforts to protect basic rights, not only by promoting disarmament but by reducing its own size."

Nevertheless, Lacayo admitted that in restoring order in the northern part of the country, there could have been some human rights violations of which, he said, was not the intention of the government or EPS. In his opinion, EPS "contributed in restoring order" in response to a clamor from several sectors of society, particularly farmers in the northern region.

The Armed Forces Are Necessary

Farmers have even "given food and shelter to Army members so they can protect their farms, maintaining the order the country needs in order to progress."

National Assembly President Luis Humberto Guzman attended the forum sponsored by the UN Development Plan (UNDP), which will end on 14 January. Guzman said the military forces "are absolutely necessary" due to the levels of insecurity Salvadoran society is experiencing in urban and rural areas.

"I do not question the fact that the Armed Forces are necessary. When we are calling for an accelerated process to institutionalize the Army we are not deceitfully trying to dismantle or dissolve the Armed Forces, or even worse, to replace them with others," Guzman said.

The Right Time for Military Reforms

Reforms are necessary, Guzman added, because the police, defense, and, security forces will not be efficient unless the public in general perceives them as legitimate. He added that we are facing the right time to progress with reforms to the Armed Forces.

In that sense, Guzman said that there is a good climate at the National Assembly to guarantee a clean and constructive debate without vengeance and to approve the Law on Military Organization, which will give the Armed Forces a dignified place."

Guzman said he trusts that the approval of this law, which will be debated during the first three months of the year, will end a phase in civilian-military relations, which "perhaps will be the best time to make changes and announce replacements that seem to be absolutely necessary to advance in institutionalizing the Armed Forces.

Army Issues Bulletin Denying Plans To Reduce Forces

PA1601191994 Managua EL NUEVO DIARIO in Spanish 15 Jan 94 p 8

[Press bulletin issued by the Sandinist People's Army Directorate of Public and Foreign Relations in Managua on 14 January]

[Text] Various Nicaraguan media have reported that the Sandinist People's Army [EPS] will reduce its forces soon. The Directorate of Public and Foreign Relations of the EPS General Command clarifies for citizens that the joint plans approved by the Presidency of the Republic and our military institution do not include any reduction of the current level of forces, which is the minimum required to fulfill the mandate that the Constitution of the Republic establishes for the EPS.

[Issued] Managua, 14 January 1994

[Signed] Directorate of Public and Foreign Relations of the EPS General Command

Roundup of Economic Developments Through 17 Jan

PA1701225094

[Editorial Report] The following is a compilation of reports on Nicaraguan economic developments monitored by Panama Bureau through 17 January; source follows in parentheses the item.

The country's serious economic recession, lack of loans, and the government's misguided business policies are among the causes that have led to the bankruptcy of more than 30,000 small-scale industries and handicraft workshops. Antonio Chavez, president of the National Chamber of Handicrafts and Small-Scale Industry (Camanara Nacional de Artesania y Pequena Industria, Conapi), has said this segment of society is barely surviving. The small-scale industrial and artisan sector employs 18,000 people, mainly in the country's Pacific coastal region. (Madrid EFE in Spanish 1649 GMT 15 Jan 94)

Ω * Borge on Plans for FSLN Congress

94P20239A

[Editorial Report] Managua BARRICADA in Spanish of 2 January 1994 on page 7 reports on plans for the special congress of the Sandinist National Liberation Front (FSLN) scheduled for 20 May. According to FSLN Commander Tomas Borge, participants will include members who attended the congress in 1991, invited guests, and national and international observers. Preparatory meetings at the departmental and local levels will take place starting in January. Borge explains that agenda topics include solving the property issue and "putting an end to [the practice of] dividing the Sandinist Front into two large sectors: those in favor of conflict and those in favor of conciliation." He says that while the essence of Sandinism is to identify with the poor, 'the country also needs tranquility, understanding, the consolidation of peace, and the total marginalization of violence." With regard to the property issue Borge explains: "...concessions should not be made to those linked to the organized robbery of Somozism," but a "definitive solution to the property issue" must be found, "probably in the form of commpensation." According to Borge, other topics on the congress agenda include "secret and direct" elections to the FSLN National Directorate and the possibility of calling the directorate the "National Council."

Ω *Total Exports for 1993 Reported

94P20240A

[Editorial Report] Managua LA PRENSA in Spanish of 28 December 1993 on page 4 reports that in 1993 Nicaragua exported approximately $262 million worth of goods, including $82 million in nontraditional exports. Beef led traditional products with $53.3 million in exports followed by coffee with $32.8 million, sugar with $18.9 million, and cotton with $370,000. The article reports that according to Central Bank figures, the gap between imports and exports grew in 1993. Nicaragua imported approximately $729 million worth of goods, including $105 million in oil and petroleum by-products, $201 million in consumer goods, and $222 million in intermediary goods.

Ω * Increase in Agricultural Production Planned

94P20240B

[Editorial Report] Managua LA PRENSA in Spanish of 28 December 1993 on page 4 reports that the Ministry of Agriculture and Livestock (MAG) has projected an increase in land under cultivation and exports for the agricultural cycle 1994-1995. The article explains that in 1994 918.4 thousand manzanas will be cultivated, compared to 850.2 thousand manzanas during the previous cycle. The area devoted to soy will increase threefold to 31,300 manzanas from 9,500 with production reaching 1 million quintals, up from 285,000. Projections for other crops include: rice, 2.698 million quintals; corn, 6.3 million quintals; beans, 2.260 million quintals; cotton, 160,000 quintals; sesame, 320,000 quintals; and peanuts, 524,000 quintals. Coffee, sorghum, and bananas will remain at present levels.

Ω * Arms Market Discussed

94P20240C

[Editorial Report] Managua EL SEMANARIO in Spanish of 28 December 1993 to 6 January 1994 on page 12 reports that since President Chamorro took office three years ago, the government has spent $100 million to recover and destroy 140,000 rifles and pistols. Nevertheless, the article reports that a large supply of illegal weapons continue to circulate. According to the article, a Makarov pistol sells for 200 to 500 cordobas and an AK rifle for 300 to 600 cordobas. The article reports that, according to National Police statistics, Nicaragua has become a "major supplier of weapons to international drug traffickers who have bought approximately 5,000 weapons in the country. In general, AK's are traded for cocaine, the article says. Major Rodrigo Portocarrero of the Special Disarmament Brigade said that an individual recently sold him 700 rifles for $50 apiece.

Ω * Socioeconomic Figures Given

94P20240D

[Editorial Report] Managua EL NUEVO DIARIO in Spanish of 30 December 1993 on page 4 reports that the standard of living deteriorated sharply in 1993, according to socieconomic statistics. For example, the unemployment rate is 62 percent, the infant mortality rate is 71 per 1,000 live births, and 25 percent of Nicaraguans are undernourished. Thirty percent of young people between the ages of 15 and 18 are illiterate. The article also reports that there is a housing shortage of 415,000 units. In addition, 32 percent of residences lack potable water, 37 percent lack electricity, and 25 percent are without sewer services.

Panama

Judicial Police Head on Seizing Weapons From U.S. Citizens

PA1501023094 Panama City LA PRENSA in Spanish 14 Jan 94 p 3

[Report by Lastenia Murillo Munoz and Jose Otero]

[Text] Jaime Abad, director of the Judicial Technical Police (PTJ), said yesterday that the institution he heads is legally and constitutionally empowered to seize weapons from U.S. citizens outside of their working hours.

"Regardless of whether (the weapon) is a high-caliber weapon, civilians are prohibited from having high-caliber weapons in residences," the official said.

Oswaldo Fernandez, director of the National Police, charged on 12 January it is "illegal" for U.S. soldiers or any citizen to have high-caliber weapons in their homes.

The PTJ director expressed concern in the wake of the killing and suicide that took place at the Campo Lindbergh housing area on 8 January where a U.S. soldier shot and killed his wife with a rifle and later committed suicide by shooting himself in the head.

Foreign Minister Jose Raul Mulino said that if he gets a formal request from the police director, he will speak with Ambassador Deane Hinton to request that the Southern Command issue regulations to its troops on the possession of weapons.

The PTJ chief explained that once a weapon is seized and an individual is detained, he is then subject to proceedings according to the Canal Treaties. The liaison agents are then contacted.

Quincleiton Mora, division chief of the Arms Permit Division of the PTJ, said it is completely illegal for U.S. military personnel based in Panama to carry firearms outside their respective work stations.

The PTJ official explained that the existing regulation on the issue of firearms prohibits foreign military personnel from carrying high-caliber weapons outside their work stations.

Mora said his office is not granting arms permits to U.S. soldiers in the country and "especially not if it involves weapons that can cause much destruction."

Mora said that during the electoral period the sale, exportation, and issue of firearms will be suspended to avert dangerous situations.

Endara Appoints Police Director Supreme Court Justice

PA1501022494 Panama City LA PRENSA in Spanish 14 Jan 94 p 1a

[Report by Ibeth Vega G. and Orlando Mendieta C.]

[Text] President Guillermo Endara announced yesterday the appointment of National Police Director Oswaldo Fernandez as new Supreme Court justice, replacing former Supreme Court President Carlos Lucas Lopez. Endara made the announcement during an improvised news conference at his private office at the Presidency of the Republic.

According to Endara, Fernandez has the requisite experience to make a positive contribution to the administration of justice. Fernandez, who is the current National Police director, replaces Lopez, who resigned due to "strictly personal reasons" on 3 January. Lopez said at the time he would remain in the Supreme Court as long as his work as Civil Court magistrate required it and until his replacement was appointed.

"Fernandez is a great lawyer who has won the Panamanian people's trust," Endara stated. The president added that he was confident Fernandez' appointment as Supreme Court justice would be ratified by the Legislative Assembly in March, given the official does not belong to any political party. Fernandez is a lawyer and has already occupied the positions of Superior Court magistrate in Penonome and as circuit judge.

Regarding Fernandez' replacement as National Police director, Endara said he has no person in mind for the position but that he believed the new police director should be a "civilian." The president added: "This is a problem I have to resolve as president. I have to find a person to direct the police, and I believe the position has to be filled by a civilian. At least during my government, I want that person to be a civilian who is apolitical. I have not found the person yet, however." The chief executive asked the media to propose names for the position of police director, "because I do not have anyone now."

For his part, Supreme Court President Arturo Hoyos has said he agrees with Fernandez' appointment to replace Lopez. Hoyos added that legal institutions should be headed by people who are not linked to political organizations. The official made those statements when he answered reporters' questions on the situation in several judicial organizations. Although he chose not to refer directly to the situation at the Attorney General's Office, Hoyos said: "Precisely, my election to the presidency of the Supreme Court shows the magistrates desire the Judicial Branch to be headed by a person who has no ties to any political party."

"This is our stand on the issue," Hoyos stated when he was asked about the possibility of finding a solution to the situation that is negatively affecting the Attorney General's Office. The Supreme Court president added that, evidently, the Attorney General's Office and the Judicial Branch have to have the people's understanding to be able to work expeditiously.

Regarding other topics, President Endara spoke sparingly when he commented on the current political situation. He denied, however, that the 12 January cabinet meeting had been cancelled due to the electoral negotiations between the Arnulfist Party and Molirena [Nationalist Republican Liberal Movement.] Endara said that the meeting had been canceled because all the issues in the agenda had been covered, "and as we are all busy, I did not think it was necessary to call the cabinet to a meeting."

Civic Renewal, Morena Choose Carles as Presidential Hopeful

PA1701012494 Panama City Circuito RPC Television in Spanish 0000 GMT 17 Jan 94

["Special Report" by RPC News Director Julio Miller]

[Text] We interrupt our regular programming to summarize for our viewers today's political activities.

The presidential candidacy of Professor Ruben Dario Carles became official this afternoon. The conventions of the Civic Renewal Party first and the National Renewal Movement [Morena] later approved Carles' nomination by a majority vote. Here are the details:

During its convention today, Civic Renewal nominated Ruben Dario Carles as its presidential candidate. The ticket will include Dr. Gloria Moreno de Lopez as first vice president and Dr. Tomas Herrera as second vice president.

The convention, which began this morning, was suspended for an hour, because convention delegates could not agree on two vice presidents. Civic Renewal insisted that its president, Tomas Herrera, should be the first vice president; it was explained later that Carles himself chose his running mates.

Tomas Herrera accepted the nomination for second vice president and asked the delegates to support him, citing the need for unity against the PRD [Democratic Revolutionary Party] ticket. With Herrera's acceptance, Civic Renewal approved the presidential ticket in an open vote. After the results were disclosed, former political adversaries Ruben Dario Carles and Gloria Moreno de Lopez arrived at the convention together.

[Begin Carles recording] Following 21 years of dictatorship, we have not yet rid ourselves of the bad habits and corruption imposed on our country by the military, which is now attempting to return. [end recording]

After Civic Renewal nominated him as presidential candidate, former comptroller Carles went to the Morena convention at the Atlapa Convention Center. Amid shouts of: Carles for President, Morena's convention delegates unanimously supported Carles' presidential candidacy with Gloria Moreno de Lopez as first vice president and Tomas Herrera as second vice president.

The 76 convention delegates agreed to form an alliance with Civic Renewal and open negotiations with other parties. During his speech, Carles said that over the past few weeks he has focused on preparing his political platform.

[Begin Carles recording, in progress] ...while others elbowed, punched, and kneed each other [applause] to win a nomination and others cast unjustified insults at people who were entitled to civic nominations, I have traveled throughout the countryside to update the information I had. [end recording]

The government platform of the Carles-Moreno de Lopez-Herrera ticket broaches such issues as the improvement of public services, the Canal's operation, and how the reverted areas will be used.

Meanwhile, Molirena [Nationalist Liberal Republican Movement] elected today its convention delegates throughout the country. The 1,040 elected delegates will decide the course the party will take in the forthcoming May elections. In most of the provinces the delegates were elected by sole consensus lists, except in the city of Santiago, where there are two lists, and Colon Province, where the delegate positions were disputed by factions split between Jaime Ford and Legislator Alonso Fernandez.

The Molirena elections, which went normally, were attended by 20 percent of party members. Molirena's convention is scheduled for 23 January, when the delegates will decide whether to nominate Ruben Dario Carles or Guillermo Ford.

PA Head Says 3 Parties To Join; Endara on Molirena

PA1401230694 Panama City EL PANAMA AMERICA in Spanish 12 Jan 94 p 8c

[Article by Arnulfo Barroso Watson]

[Text] Mireya Moscoso de Gruber, president of the Arnulfist Party [PA], has said three political parties have confirmed they will join the PA in the coming elections, while President Guillermo Endara has said he was "seriously assessing" his government's situation after negotiations were broken off with Molirena [Nationalist Republican Liberal Movement].

Moscoso de Gruber has said the Authentic Liberal Party (PLA), the Independent Democratic Union (UDI), and the Popular Alliance [AP] have confirmed they will join forces with the PA in the coming elections; nevertheless, according to a ruling issued last night by the Electoral Tribunal, the AP cannot participate in the coming elections.

Moscoso de Gruber added that the Popular Nationalist Party will decide in the coming hours if it will participate in this alliance, while the Nationalist Unity Mission will decide on this issue during the weekend.

Regarding Molirena, the political leader has said that if this party will remember that the PA must lead the presidential ticket, negotiations can be resumed.

According to the latest Electoral Tribunal statistics, the PA has 130,000 registered members. Meanwhile, its allies, the PLA and the UDI, have 27,000 and 24,000 registered members respectively.

The opposition Democratic Revolutionary Party has 180,000 registered voters, and its possible allies—the Labor Party and Liberal Republican Party—have 80,000 and 30,000 registered voters respectively.

Meanwhile, President Endara has told EL PANAMA AMERICA that he will decide on the state of his government regarding Molirena when his conscious tells him what he must do.

"It is a critical situation, because there is no doubt that when two parties of my government cannot reach an agreement, this can logically have some consequences; nevertheless, as president I am removed from partisan interests," he said.

Endara reiterated that for the time being he has not made any decision on the situation of the Molirena members in his government. Nevertheless, he said that he will make a decision that is best for Panama.

Meanwhile, the president has reported that the nation's current political situation might prevent his participation in the inauguration for new Honduran President Carlos Roberto Reina, scheduled for 27 January.

PRD Presidential Candidate Remarks on Alliances

PA1401223094 Panama City Telemetro Television Network in Spanish 1730 GMT 11 Jan 94

[From the "Telemetro Reports" newscast]

[Text] Ernesto Perez Balladares, Democratic Revolutionary Party [PRD] presidential candidate, believes Arnulfist Party presidential candidate Mireya de Gruber and Ruben Dario Carles represent the same groups, and so it is not correct to consider them as two independent candidates. Perez Balladares was interviewed live during our morning newscast:

[Begin recording] [Perez] We foresee a confrontation between groups that oppose this government and the government, regardless of the government candidate's name. [sentence as heard] We believe there is still time to comprise the alliances that are necessary to remain in power. We will also, obviously, lead the people's opposition proposal against the current regime, the government that failed to yield results, the government that resulted in frustrations, that we [words indistinct].

[Unidentified reporter] Regardless of the government candidate's name, meaning Ruben Dario Carlos or Mireya de Gruber?

[Perez] Regardless, we think there will be a government candidate and our own candidacy.

[Reporter] It does not matter if the candidate is Mrs. Gruber or Mr. Carles who is reportedly going along those lines?

[Perez] That is not the important issue. In any case, I think they both represent the government. Former Comptroller Carles was a conspicuous member of the current government until recently. He now reneges on many of his promises, but we will remind him about those promises in due time. Mrs. Gruber is president of the Arnulfist Party and, evidently, she seems to be its standard-bearer. We believe they are both one in the same.

[Reporter] Is the PRD willing to relinquish a vice presidency either to the PALA [Labor Party] or the Liberal Republican Party, in case an alliance is comprised, particularly when the PALA.... [pauses] Dr. Carlos Lopez Guevara said here, in a "Telemetro Reports" morning newscast, they will leave if they are not given the opportunities they expect.

[Perez] I think it is more serious, meaning it is more important and worthy for us to present a proposal that is capable of implementing our government platform than to go around, like some parties are doing, making a show of themselves by handing out what they do not even (?have).

[Reporter] You specifically mean the ruling parties.

[Perez] Of course. I specifically mean them. Consequently, I believe our directorate board, which shall meet quite soon, will be the one to decide the terms and conditions of the alliance. [end recording]

CELA Discloses Results of Latest Presidential Poll

PA1401222994 Panama City LA PRENSA in Spanish 13 Jan 94 p 1a

[Report by Manuel Alvarez Cedeno]

[Text] According to a CELA [Center for Latin American Studies] poll, 75.4 percent of Panamanians expressed their intention to vote during the next elections. At the same time, Ernesto Perez [Balladares], PRD [Revolutionary Democratic Party] candidate, continues to lead the national voters preference poll with a 13.1 percent margin.

The third CELA "Elections 94" poll was conducted throughout the country at the end of December 1993, and interviewed 2,681 persons. Of the population sample interviewed, 75.4 percent indicated they would vote during the coming 8 May presidential elections, 16 percent were undecided, and 9 percent said they would abstain.

The results of the poll were made public yesterday during a news conference by CELA Secretary Marco Gandasegui who explained that the sampling reflects a 3 percent, more or less, margin of error. It was also reported that due to technical problems, the poll does not include the Provinces of Bocas del Toro, Darien, or the San Blas territory.

The Electoral Tribunal has indicated that 1.5 million voters are eligible to select President Guillermo Endara's successor, two vice presidents, 71 legislators, 65 mayors, 510 corregimiento representatives, and several council members.

CELA pointed out that voters most emphatic about abstaining are mostly senior citizens, while the undecided voters are mostly lower income groups and those with less education.

According to the sample, Ruben Blades, presidential candidate for the Papa Egoro party follows Perez with 9.3 percent; followed by Arnulfist Party [PA] candidate Mireya Gruber with 5.3 percent; Guillermo Ford of the Molirena [Nationalist Liberal Republican Movement] Party, 3.9 percent; former Comptroller General Ruben Carles, 3.5 percent; and Ricardo Arias Calderon of the PDC [Christian Democratic Party] with 3.1 percent.

In the metropolitan area of Panama City, Perez also leads voters preference with 13.4 percent, followed by Blades and former Comptroller General Carles. At the same time, Gruber and Arias Calderon improved in comparison with the last poll. Mrs. Gruber recorded 4.4 percent and Arias Calderon recorded 3.6 percent in the metropolitan area.

In Cocle, Veraguas, Los Santos, Chiriqui, parts of Panama and Colon, Gruber came in second with 6.5 percent, Blades was third with 5.8 percent, while Perez headed voters preference with 12.7 percent.

Democratic Revolutionary Party Hopeful Not To Rearm Forces

PA1701033894 Panama City LA ESTRELLA DE PANAMA in Spanish 16 Jan 94 p 1

[Report by Emilio Sinclair]

[Text] Opposing political persecution and proclaiming acts of reconciliation for the nation's well-being, Ernesto Perez Balladares, presidential candidate of the opposition Democratic Revolutionary Party [PRD], has reiterated to the National Council of Private Enterprise (Conep) that he will not rearm the remnants of the defunct Defense Forces, known as the National Police.

Perez Balladares has admitted that insecurity is among the social ills that have flooded the country, and he said it is necessary to train the Public Force so that it can fulfill its duty, but he dismissed the possibility of reactivating militarism.

The PRD candidate made these statements to leaders of Conep, a powerful economic organization

Perez has said his government plan does not foster competition between the state and private sector, rather, he said, it is urgent to improve Panama's labor efficiency so that it can be competitive in light of the increased devotion to duty perceived in other regional countries.

Perez has said that should he win the elections, improving national security will be among his priorities. He will "provide the country with an efficient police so that all of the people of our isthmus will be sure of the protection of their lives, personal integrity, reputation, and property..." He also spoke of constructing the Panama-Colon Highway, extending the Arraijan-La Chorrera Highway, and extending the David-Paso Canoa Highway in Chiriqui Province.

During a question and answer period, Dr. Ernesto Perez Balladares has said state banks should not compete with private banks, adding that the National Savings Bank could be privatized.

Human Rights Committee on Canal Employees, Elections

PA1701035894 Panama City LA ESTRELLA DE PANAMA in Spanish 16 Jan 94 p B5

[Communique issued by the Panamanian Human Rights Committee; place and date not given]

[Text] The Panamanian Human Rights Committee (CPDH) hereby addresses the nation and especially canal area employees to outline its position concerning the recent assertions made by the Panama Canal administrator regarding the political participation of canal employees in the upcoming elections in May 1994.

First, it is worth explaining that the reasons invoked by the canal administration to justify the ban on Panama Canal employees' participation in the May elections are applicable only to U.S. citizens. To attempt to impose them on Panamanians is to disregard the basic principles of national sovereignty.

Second, Panama's Constitution acknowledges the basic right to elect others and be elected to public office. A foreign law cannot infringe on precepts established in the laws of the nation.

Third, the canal administrator's assertions are not in keeping with international pledges signed by the Republic of Panama by way of important human rights pacts and international agreements. Article 25 of the International Pact on Civil and Political Rights establishes that all citizens will enjoy the right to participate in the conduction of public affairs directly or through freely elected representatives.

Due to all of the above, the CPDH reaffirms the canal area employees' inalienable right to participate fully in the nation's politics.

Panamanian Human Rights Committee

[signed] Roberto Troncoso B., president.

Roundup of Economic Developments Through 17 Jan

PA1701220594

[Editorial Report] The following is a compilation of reports on Panamanian economic developments monitored through 17 January; source follows in parentheses after the item.

Panama National Bank (BNP) President Luis Moreno has said his bank has shown a "satisfactory" recovery from January 1990 to December 1993. He has said BNP's liquidity rose from 9.7 percent in 1989 to 58.9 percent in 1993. (Panama City LA PRENSA in Spanish 14 Jan 94 p 11a)

Argentina

Ruckauf: Government 'Prudent, Not Alarmist'

PY1401151294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1335 GMT 14 Jan 94

[Text] Buenos Aires, 14 Jan (NA)—Interior Minister Carlos Ruckauf has stated that the Executive Branch is showing a "prudent, not alarmist" attitude. He added that following the Mexican crisis "any responsible government will seek to prevent a repetition in their countries."

Ruckauf said that democratic governments "are forced to maintain the monopoly of force," adding that this acts "as a mechanism of self-preservation."

He reaffirmed the Executive Branch's "conviction" that "a specific group caused the incidents," in Santiago del Estero. He added, however, that "there are no documents to prove that it involved a given sector or a precise trend."

Thus, Ruckauf specified that there are no documents to prove the presence of Shining Path guerrillas, although he admitted that "blank forms were found during some police raids" and that some Bolivian and Peruvian citizens "have problems with their documents."

He said: "This does not necessarily indicate that they are linked to guerrilla groups, merely to other types of crimes or even a simple covert migratory operation."

In an interview with a Buenos Aires daily, Ruckauf said the electricity service company Edesur [Southern Greater Buenos Aires Electricity Company] suffered some attacks on its installations. He said: "it would be premature to say that an armed organization are behind these terrorist acts."

In conclusion, the minister said the government has decided "it is better safe than sorry," which is why President Carlos Menem "ordered an analysis of the Latin American and Argentine situation."

Di Tella on Presence of Ex-Montoneros in Zapatist Army

PY1501180494 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1236 GMT 15 Jan 94

[Text] Buenos Aires, 15 Jan (NA)—Foreign Minister Guido Di Tella has confirmed that the government is studying "generic information" that members of the Montonero movement who live in Mexico are active in the National Zapatist Liberation Army [EZLN] which is operating in that country.

Moreover, Di Tella denied that there will be a "witch-hunt" among foreign residents in Argentina, in search of presumed subversive elements.

The foreign minister said that President Carlos Menem was already concerned about the issue "before", especially because there were reports that members of several guerrilla groups which were active in the 1970's had sought refuge in Mexico and could have joined the EZLN.

"Many ex-guerrillas have been absorbed by the policy of democracy, others have not," the minister said in remarks to the newspaper CLARIN.

He said that the information being studied by the government was not provided by his Mexican counterpart. He also denied that the CIA had provided information on this matter, although he admitted that there had been an "exchange of information via diplomatic channels with the State Department and other Latin American governments."

He said that in the case of EZLN uprising in Chiapas, "there is a very important organization which was based on a social problem." He added that the Argentine socioeconomic situation is "totally different" from that of Mexico.

Although "there is the possibility of a subversive infiltration" in some Latin American countries, he explained that that is not the case in Argentina.

He thus ruled out the possibility that the alert given by the executive branch to the intelligence services on a supposed subversive outbreak could prompt "a witch-hunt."

However, yesterday some 30 illegal Peruvian residents were deported for "usurping a house" at 600 Senillosa Street, although there are still two weeks before 31 January, the legal deadline established by the Immigration Department for the regularization of foreigners who are in an illegal status.

Cavallo Notes Discrepancies Within Mercosur

PY1701160294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1332 GMT 17 Jan 94

[Text] Buenos Aires, 17 Jan (NA)—Economy Minister Domingo Cavallo today said that within Mercosur [Common Market of the South] "the only point about which there is a serious argument or on which positions are still very divergent" is the adoption of a tariff for importation of capital goods and informatics products.

The minister is now in the Uruguayan city of Colonia, where the Argentine, Brazilian, Uruguayan, and Paraguayan presidents, along with their ministers of economy, are attending a Mercosur summit.

Cavallo denied that the deadlines for implementation of Mercosur will be postponed, noting in this regard that a document christened "Consolidation of the Customs Union and Transition Toward the Common Market" will be signed "probably this afternoon."

Concerning informatics products, the minister said that Argentina advocates "a very low tariff, like the one agreed upon within the NAFTA," adding that Brazil "wants a very high tariff because it has a protection system."

He added: "When there is no agreement, debates continue, but this is an issue on which we can reach a final agreement if each country maintains a tariff structure for the capital goods it wants, and if a convergence process is then implemented."

In statements to a Buenos Aires radio station, Cavallo said that Argentina "wants all areas of the economy, industry, the farm sector, and the services to make investments, purchasing the best possible technology at the lowest price."

"That is why we encourage our capital goods producers with internal tax refunds, but we will not permit them to sell their equipment at prices that are higher than those prevailing abroad," he said.

Menem Cuts Uruguay Visit Short; No Explanations

PY1701222994 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1955 GMT 17 Jan 94

[Text] Buenos Aires, 17 Jan (NA)—President Carlos Menem cut his visit to Uruguay short and this afternoon he returned to Buenos Aires from the city of Colonia de Sacramento, where he attended the fifth Mercosur [Common Market of the South] presidential summit.

Menem arrived at the military area of "Jorge Newbery" Metropolitan Airport at 1545 local time [1845 GMT] and after staying a few minutes in the VIP lounge, he left for the Olivos presidential resident aboard a helicopter.

The president made no statement to reporters at the airport, where some minutes earlier Economy Minister Domingo Cavallo also had arrived from Colonia.

Security Measures To Prevent Violence Announced

PY1701202794 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1543 GMT 16 Jan 94

[Text] Buenos Aires, 16 Jan (NA)—Interior Minister Carlos Ruckauf said today that the government does not fear new violence or subversive outbreaks but admitted that security measures will be reinforced.

In this regard, he said border controls will be intensified to neutralize the arrival of illegal immigrants, and that foreigners who violate residence regulations will be repatriated.

Ruckauf discarded the presence of activities linked to the Shining Path guerrilla organization but warned that activities by different clandestine organizations involved in bringing illegal aliens to the country are being investigated.

The government also is studying the possibility of investing about $40 million to re-equip provincial police and the Border Police to stop any attempt at violence.

Economy Minister Domingo Cavallo will determine where to get the funds to purchase shields, rubber bullets, tear gas, and anti-riot equipment. Quick deployment forces capable of controlling outbreaks similar to the one in Santiago del Estero will be created.

In this regard, Ruckauf noted the work by the intelligence services that "worked well under a situation difficult to predict."

Regarding the repatriation of 30 Peruvians, Ruckauf explained that the same measure will be implemented with other illegal residents "even though Argentina continues its open-door policy."

Vice Foreign Minister Fernando Petrella said the deportation of the illegal immigrants was made due "to the illegal occupation of houses and the lack of work contracts justifying their presence in Argentina."

Therefore, vigilance efforts will be intensified at the borders with the use of modern computerized control systems that will be obtained through international bids in the next 30 to 60 days.

Ruckauf rejected any possibility of new outbreaks of violence, "but we will take all the necessary precautionary measures just in case."

Peruvians' Deportation Not Linked to Shining Path

PY1701222494 Buenos Aires BUENOS AIRES HERALD in English 16 Jan 94 p 4

[Text] (DYN-NA)—Amid continuing government anxiety that members of the Peruvian guerrilla organization Sendero Luminoso are infiltrating the country attracted by recent social unrest in the northern provinces, the government has strenuously denied that this fear was the cause for yesterday's deportation of 30 Peruvian illegal immigrants.

The Foreign Ministry revealed that the workers, 17 men and 13 women, were deported on Friday [14 January] for not having obtained work permits and for squatting in a flat in the Federal Capital.

However, suspicion has since arisen that there may have been other motives in the decision to repatriate them since the government has given all illegal citizens until the end of this month to obtain the correct paperwork.

Denying that the action was tantamount to state xenophobia, Interior Minister Carlos Ruckauf told reporters that it was simply a legal matter and quashed speculation that the government, who announced earlier in the week that security services were being put on alert to monitor possible cases of social unrest, was participating in a "witch-hunt."

Furthermore, deputy Foreign Minister Fernando Petrella said on Radio Mitre yesterday that the Peruvian Embassy was fully aware of the situation and that nothing untoward had occurred. He added that the policy was part of a bilateral agreement between the two countries which could lead to visas being required to enter the country in order to stem the tide of illegal workers from the Andean country.

While the government has been attempting to play down its initial concern about the possibility of foreign and professional activists stirring up already latent frustration into violent protests, Buenos Aires Security Secretary Eduardo Pettigiani yesterday revealed that, despite assurances, the government is in a "constant state of concern."

He added that the national intelligence agencies were "working overtime" in order to clamp down on any suspicious activities.

In other related news yesterday ATE [Association of State Workers] State Workers' Union secretary-general Alba Luna del Castillo accused local government officials in Santiago del Estero of "sowing seeds of fear" into local residents who were contemplating taking part in Friday's protest march to commemorate last month's bloody riots.

She claimed that there were almost 3000 workers in the march through the province's capital, although police estimate that there were only a third of that figure. However, she lamented what she felt was a state campaign to strike fear into local residents by raising the spectre of Sendero Luminoso involvement.

In triumphant fashion Del Castillo told reporters that the march has again warned the national government of the intensity of the province's problems and that the people were demanding concrete action.

One positive development yesterday was the announcement that the Santiago del Estero Provincial Bank will re-open tomorrow for the first time since December's riots. Its first task will be to distribute unpaid salaries dating back to October to many of the region's disgruntled workers.

Bishop Making Election Bid Criticizes Menem

PY1701222694 Buenos Aires BUENOS AIRES HERALD in English 16 Jan 94 p 4

[Text] (NA)—Neuquen Bishop Jaime de Nevares accused President Carlos Menem yesterday [15 January] of being "obsessed" with his bid for re-election and urged him to spend more time thinking about how to cushion the poorer sectors of society who he said were bearing the brunt of current government economic policy.

The bishop, who two weeks ago announced that he would stand for election to the constituent assembly on behalf of the left-wing Frente Grande coalition, said in an interview with NOTICIAS ARGENTINAS news agency that the fact that Menem was "obsessed" with re-election was "vox populi."

He added that he personally was in favour of maintaining the current law that bars presidents from serving a second consecutive term and that the head of state should continue to serve the country for a period of six years.

However he drew comfort from the fact that his contribution to the constituent assembly would at least help the cause of securing some "positive aspects" in the reform of the national charter.

Later in an outspoken critique of government economic policy, the prelate said: "The social cost of economic success is very high for all to see." He concluded that "there must clearly be an alternative to the current model," and one that reached out to "all sectors of society and not just one."

Responding to a question as to whether the clergy should not be allowed to play a direct role in politics, he denied that there was any conflict of interests and said he was not taking part in party politics, but rather "acting for the common good." He also categorically ruled out any future in the political world after the constituent assembly ends its assessment of the need for constitutional reform in April of this year.

* Leading Politicians, Parties on Constitutional Reform

94SM0135B Buenos Aires CLARIN in Spanish 17 Nov 93 p 11

[Text] The agreement signed by Carlos Menem and Raul Alfonsin to amend the Constitution has prompted different reactions among political leaders. Alvaro Alsogaray said that the "prospects are good" and expressed confidence that there will be no economic course change. Aldo Rico took a negative stance: "I refuse to be an accomplice in a process whose objective is to perpetuate the power of an entire family: the Menem brothers." Carlos "Chacho" Alvarez also fired his missiles. "The way politics is done in this country leaves a very bitter taste: the secrecy, the lies, the doubletalk," said the deputy representing the Great Front.

The agreement between Carlos Menem and Raul Alfonsin continued to make waves yesterday. For example, Liberal Alvaro Alsogaray expressed confidence that the pact for the partial reform of the Constitution will not change the course of the government's economic program. "The president's decision is apparently irrevocable," stated Alsogaray, adding that "the prospects are good if the reform is carried out" because "we need to undergo a transformation from a socialist and centrally planned system to a free-market economy with monetary stability."

From a different perspective, Aldo Rico, leader of the Dignity and Independence Movement (Modin), gave a different opinion. Rico did not mince words in expressing opposition to the Menem-Alfonsin pact: "As an elected deputy, I refuse to be an accomplice in a process whose sole objective is to perpetuate the power of an entire family: the Menem brothers."

Deputy Carlos "Chacho" Alvarez of the Great Front stated that the pact leaves "a very bitter taste about how politics is done in this country: the secrecy, the lies, the doubletalk." Alvarez said that the accord "is a political deal for Menem and Alfonsin, but many people are left out in the cold, for example, those who voted for the opposition thinking they were preventing the reelection of Menem. I think Menem and Alfonsin are cut from the same cloth; they have the same tendencies toward personalism and political hegemonism."

But at the center left, there are discordant voices. Santa Fe Deputy Guillermo Estevez Boero, a Popular Socialist, says, "The dialogue between Menem and Alfonsin is positive, because it establishes a methodology that can overcome conflicts and political disagreements."

In any case, Estevez Boero warned that his party will not be left out. "The legitimacy of this procedure," he declared, "will depend on going beyond the limited, two-party perspective."

In New York, where he is attending a seminar, Peronist Senator Jose Octavio Bordon indicated that the reform agreement "is on the right track for the consensus that I have always called for. We have moved a step forward." Despite the pressure, Bordon opposed the government's plan to amend the Constitution, which has now been tabled in the wake of the Olivas summit.

"I am much more in favor," he added, "because I also think that the text will be much more limited, will inspire more confidence, and will better serve Argentines."

There were other opinions as well:

- Party of Liberation: "We urge the people to reject the Menem-Alfonsin conspiracy, which will pave the way for Menem's reelection, and thus for the continuation of this economic policy."
- Movement Toward Socialism: "The Menem-Alfonsin pact, signed behind the workers' backs, is designed to strengthen the institutions of this pro-business regime. They are scheming to continue applying the hunger plan."
- Order and Justice Party: "A serious attack on legality has been perpetrated by the two top leaders of the Radical and Peronist parties. The agreement to reform the Constitution is equivalent to a white coup d'etat."
- Workers Party: "The pact between Menem and Alfonsin is antidemocratic. Its sole purpose is to boost the reelection of the current privatist clique, in response to the demands of international creditors and big business in this country."

* Timetable for Constituent Assembly Reported

94SM0135A Buenos Aires CLARIN in Spanish 28 Nov 93 p 9

[Text] If the bipartisan agreement is still alive after going through an obstacle course that includes the biggest hurdle of all, the 3 December Radical Convention, and then the parliamentary debate, the law permitting the Constitution to be amended will be enacted. The part of the Constitution that states its postulates and dogma will remain untouched, however.

The pact signed by Carlos Menem and Raul Alfonsin, according to its most enthusiastic defenders, will ensure, "for the first time in Argentina, a representative, democratic, and historic Constituent Assembly." This future assembly, say those who are negotiating the basic premises of the reform, has "legal and political" guarantees that previous ones lacked.

According to the text approved by the Senate on 21 September, the delegates to the Constituent Assembly will be elected by the D'Hont system of proportional representation. Each province and the Federal Capital will elect a number of delegates equal to the total number of legislators it sends to the Congress of the Nation, and in the same proportion: 303 members all together.

The requirements for being a delegate are the same as those for being a national deputy. Any public official may go to the Constituent Assembly, except for members of the judiciary. The delegates will enjoy the same privileges and receive the same expense allowance as legislators, from the day they are elected to the date the assembly concludes.

As for duration, the Senate draft says that the assembly will begin work within 60 days of the election of delegates, and must complete its work within 120 days, with no extensions.

The senators also want the assembly to be held in the Entre Rios city of Parana. Although the final word has not been said on this matter, the provincial deputies from Santa Fe, for example, at the insistence of the Progressive Democrats, approved a draft Thursday requesting the National Congress to put the assembly in their jurisdiction. They argue that the province has a historic right to host the assembly: the Constitution of 1853 was drafted there.

Step by Step

After Congress passes the law calling for reform, elections will be held to elect delegates to the assembly, although no date has been set. The timing of the elections depends, among other things, on the duration of the tug-of-war between the negotiators of the Justicialist Party (PJ) and the Radical Civic Union (UCR).

Alberto Garcia Lema, counsel to the Treasury and a member of the PJ drafting team that has been working on the wording of the reform pact, says that "if things keep going the way they have been so far," the election of delegates will take place in January, February "at the latest." The vacation will be spiced up by a short election campaign. In March (or April), the Constituent Assembly will begin its work.

After it has been convened for a fixed date, the assembly must decide how it is going to operate. Constitutionalist Ricardo Monner Sans indicates that "all constituent assemblies have regulated themselves. In other words, they elect their own officers according to their own criteria; they decide on internal regulations, the operation of committees, and what kind of committees they will have."

He gives examples: The 1949 assembly, for example, elected Col. Domingo Mercante chairman pursuant to a decision by the Justicialist bloc. At the 1957 assembly, however, Socialist Nicolas Repetto was elected because he was the oldest delegate.

The schedule will be as follows:

- Election of officers and approval of provisional rules of procedure. This will be done at one or more so-called "preparatory" meetings.
- Approval of rules of procedure. This will be done at the first plenary session of the assembly, which may also involve several meetings.
- Formation of committees. There were three committees in the 1957 Constituent Assembly: Powers and Regulations, Drafting, and General Business. In the 1949 assembly there was also a Constitutional Revision Committee. One of the tasks of the Powers Committee is to identify how many members each committee will have and what its mandate will be.
- Plenary-session debates on constitutional amendments. During these debates, delegates will speak individually, but in the name of the party delegations.
- Voting on the new Constitution. At this point, the assembly may also pass a number of transitory provisions that will indicate, for example, how the the oaths of allegiance to the new basic law will be administered.
- The assembly delegates will swear allegiance to the new Constitution.
- The oath will be repeated by the top authorities of all the branches of government. The first to swear allegiance will be the president of the nation, who will then administer the oath to the cabinet ministers. The presidents of the Senate and the Chamber of Deputies will also take the oath, and will then administer it to all legislators.

With respect to the judiciary, the transitory provisions approved by the Constituent Assembly of 1949 provided for the reappointment of the Supreme Court and all judges. The legality of their terms was suspended, because the new Constitution revamped the entire justice system.

According to the draft now being discussed, the Constituent Assembly does not have sovereignty. It can, however, reject the reforms proposed by Congress, although in no case can it carry out reforms, repeals, or additions that have not been specified by Parliament in its passage of the law calling for constitutional reform and setting forth the sections to be amended.

It is clear to everyone that this is a key issue, because if the Constituent Assembly were declared sovereign, it would acquire the range of an eagle. Radical Deputy Jorge Vanossi, who is a constitutional specialist, believes that the Constituent Assembly "cannot be a mere echo of Congress." Even though the Menem-Alfonsin pact guarantees a consensual reform, "not all assembly delegates will give their unquestioning approval."

The last election of Constituent Assembly delegates was in 1957, and it was called by the military regime that in September 1955 had overthrown the government of Juan Domingo Peron. It is true that that year the delegates were elected under the D'Hont system for the first time in Argentina, which allowed small groups (such as the Communist Party and the Labor Party) to be represented. But Peronism was prohibited, and the vast majority of Peron supporters cast blank ballots.

[Box, p 9]

X-Ray of the Constituent Assembly

How It Is Elected

- Voting is mandatory and by secret ballot. All Argentine citizens over the age of 18 can vote.
- As in legislative elections, the voters choose a slate of assembly delegates by party.

Who May Be a Delegate

- Any a native-born or naturalized Argentine citizen over the age of 25 may be listed on the slate of candidates.
- Each delegate must represent a party, as either a member or a nonmember.
- As in deputy elections, each province elects its delegates.
- All public officials may be delegates, except for members of the judiciary.
- The assembly will have 303 delegates, equal to the number of national deputies and senators.
- Privileges: Assembly delegates will enjoy the same immunity as legislators, from the day they are elected to the end of their mandate.
- Expense allowance: Delegates will receive the same allowance as legislators.

Inauguration, Duration, and Operation

- Session will open 60 days after the election of delegates.

- Session will last 120 days. The assembly may conclude its deliberations prior to that time, but not after it.
- Quorum: Half plus one of the delegates; but the assembly may adopt its own rules of procedure.

Powers

- The assembly is free to accept or reject the reforms proposed by Congress.

Note: The law to be passed by Congress calling for constitutional reform may modify some of these points.

[Box, p 9]

It Is Written in History

Since the Constitution of 1853 was enacted, seven Constituent Assemblies have been convened, although only five were actually held: in 1860, 1866, 1898, 1949, and 1957.

Radical deputy and constitutionalist Jorge Vanossi wrote in the magazine TODO ES HISTORIA [Everything Is History] that the 1860 Constituent Assembly (held in Santa Fe) "formalized and made viable" the incorporation of the "State" of Buenos Aires into the "State" of the Argentine Nation.

Between 1853 and that year, two entities with different territories, populations, and governments existed side by side: the Argentine Confederation, which was governed by the Constitution of 1853, and the State of Buenos Aires, which was governed by its own Constitution of 1854.

The Constituent Assembly of 1866 (also held in Santa Fe) introduced a partial amendment to Article 4 of the Constitution, which dealt with export duties. "No official record of that assembly's deliberations remains," says Vanossi.

In 1898, this time in the Federal Capital, another assembly was held to make partial amendments to the Constitution.

In 1949, Congress passed a law declaring that "the revision and reform of the National Constitution" were necessary "in order to eliminate, modify, add, and correct its provisions to better defend the rights of the people and the welfare of the nation." It was, in fact, a total reform, and among other things it led to the reelection of Juan Domingo Peron in 1951.

That election of assembly delegates followed the provisions of the Saenz Pena Act, which provided for a majority and a single minority. The UCR, the minority, left the site of the assembly claiming that the convocation of the Constituent Assembly was "legally nonexistent."

The military government of Gen. Pedro Eugenio Aramburu, which overthrew Juan Peron in September 1955, convened another Constituent Assembly in 1957.

With Peronism banned and Radicalism divided into two factions, the UCR of the People led by Ricardo Balbin and the Intransigent Radical Civic Union (UCRI) led by Arturo Frondizi, the assembly merely reflected the profound divisions in Argentine society.

The UCRI, which was the political group with the most delegates in the assembly, showed up for the sole purpose of impugning the assembly. Having achieved that objective, it left the assembly hall. A few days later, several representatives of the UCR of the People also left. Finally, a dozen conservative delegates left as well.

* Church Urges 'Transparency' in Constitutional Reform

94SM0154B Buenos Aires CLARIN in Spanish
3 Dec 93 pp 2-3

[Text] The Permanent Commission of the Episcopate yesterday urged those responsible for constitutional reform to make their intentions and procedures transparent so that the future constitution will be the product of a social pact. The bishops criticized the conditions being imposed on some branches of government and asserted that this pressure is also undermining the legitimacy of the future constitution. The Church's pronouncement topped a tension-filled day on which one Supreme Court justice repelled an attack by President Menem, who in Tokyo had called for his resignation, and the retirement of another justice of the court was postponed indefinitely. The Supreme Court handed down a judgment declaring that a Constituent Assembly cannot have unlimited powers.

The Catholic Church affirmed yesterday that the efforts made so far to bring about constitutional reform are characterized by "conditions imposed on the constituent branches of government that compromise their actions," which "threatens the legitimacy and permanence of a future constitution." The Church's position was publicized in a document released yesterday at the conclusion of deliberations by the Permanent Commission of the Episcopate.

The bishops exhorted those responsible for the constitutional reform process "to make their intentions, motives, and procedures transparent so that the constitution that emerges will be the expression of a true social pact."

Without mentioning the protagonists, but alluding to the pressures the executive branch has exerted on Congress and the judiciary, among other issues, the bishops' communique mentioned the political coercion that took place on Tuesday with the removal of the chief justice of the Supreme Court, Antonio Boggiano, and on Wednesday with the resignation of Justice Rodolfo Barra.

Yesterday's is the first official document issued by the Catholic Church regarding the constitutional reform, and it comes more than three months before the opinion of the Church is expected to be made public. The first draft of that document is being prepared by a committee chaired by Cardinal Raul Primatesta.

In just 35 lines, the Episcopate sums up ecclesiastical displeasure with the current negotiations on the reform. After mentioning the conditions imposed on the branches of government, the document points out that they also compromise "the responsibility of the legislators, the stability of the judges, and even the legitimacy and permanence of the future constitution."

The bishops briefly praised the political dialogue, and then focused on the formal aspect of the reform negotiations undertaken by the Justicialist Party (PJ) and the Radical Civic Union (UCR). The Permanent Commission is an entity chaired by Cardinal Quarracino that makes decisions in representation of the plenary assembly.

The statement shows signs of the internal debate that is going on in the Church. This controversy was not apparent at the October assembly, when the bishops merely described the basic dogmatic themes without alluding to any current issues.

The statement of 27 October noted that "the Constitution itself governs the procedures for its eventual reform" at a time when the political cauldron was boiling because the government was trying to move forward with the amendment of the Constitution with just two-thirds of the members present in Congress.

The Olivos accord between President Carlos Menem and Radical leader Raul Alfonsin forced the committee headed by Primatesta to rethink its position. The committee, also made up of Bishops Emilio Bianchi Di Carcano (Azul), Jose Maria Arancedo (Mar del Plata), and Juan Carlos Maccarone (Lomas de Zamora), decided to release part of the draft early.

Signals also came from other prelates, such as Edgardo Storni, archbishop of Santa Fe, who termed the agreement between Menem and Alfonsin on constitutional reform "unethical." "The only goal is reelection, and to achieve it, they throw out crumbs of power to maintain themselves as the political class," said Storni in a harsh tone not usually heard in Church officials.

Yesterday's statement from the bishops recalled that "any agreement should be a step forward, and should in and of itself mean the creation of a propitious environment for a fruitful debate on the issues involved in the common good and the requirements for true democracy."

This first official opinion on the reform from the episcopal leadership contends that "the Argentine people are not very familiar with the reform proposals or their motivations," and that, on the other hand, "they desire a decent future in a united society." The document also states that the desire for reform "should not distract government officials or the governed from daily attention to the tasks that ensure life and the quality of life for all inhabitants."

Another thrust, this one aimed at emphasizing that "the leaders' political skill must be supported by exemplary ethical standards, which become more and more necessary as the consequences of their decisions become more serious for the country."

* YPF To Dominate Compressed Natural Gas Market

94SM0154A Buenos Aires CLARIN in Spanish 2 Dec 93 pp 20-21

[Article by correspondent Ana Ale]

[Text] The 104 compressed natural gas (GNC) stations belonging to the Italian General Petroleum Agency (AGIP) have been purchased by Government Oil Deposits (YPF). The transaction, which also includes the firm that markets gas in canisters for the Italian subsidiary, totaled $60 million. YPF now controls 48 percent of the automotive gas market.

Market sources have known about it for several weeks, but the confirmation came from the buyer: YPF admitted having bought the chain of compressed natural gas service stations put up for sale by AGIP six months ago.

The transaction cost the mixed petroleum enterprise $60 million, much more than the other companies were willing to pay. They were left in disappointment when YPF's hefty offer was made known in Italy.

With the absorption of the 104 service stations operated by AGIP throughout the nation, YPF now dominates the GNC market, which is still booming thanks to the policy of replacing liquid fuel in motor vehicles.

The development brings relief to AGIP, a subsidiary of the state-run Ente Nazionale de Hidrocarburi (ENI). Like the rest of ENI, it is feeling the sting of the Italian corruption scandals, which in this case set off a privatization plan. The privatization of AGIP was carried out with the consultation of the Swiss banking industry.

ENI has been selling off all its possessions in Argentina, including a 4,200-hectare field in Entre Rios valued at $3.8 million. YPF decided to forego this asset; although it does want to expand, it will continue devoting itself exclusively to the hydrocarbon business. The company, led by Jose Estenssoro, was more attracted to the other goods that were being sold.

There are two ways of profiting on this new property: on the canister market, and through the marketing of GNC. In these two areas, AGIP was fairly active in Argentina.

It accounted for 26 percent of GNC sales, a third of total spending on gas in canisters. In addition, it had 12 automated bottling plants to put gas in cylinders and canisters, valve maintenance shops that operated under the name Comsergas, and a fleet of trucks.

"The deal is closed," sources at YPF said. Argentine AGIP will now be called YPF Gas S.A., and will be devoted to the bottling, distribution, and marketing of liquefied petroleum gas (in containers) and compressed natural gas, according to the official communique. The oil company paid "$60 million (for 100 percent of the AGIP stock package), subject to adjustments under the terms of the contract," adds the press release on YPF stationery.

"When do you take possession of the property?" CLARIN asked officials at Estenssoro's company, in which the state is a 20-percent shareholder.

"In the next few days, by next week for sure."

[CLARIN] Have you already paid?

[Answer] I do not have that information.

[CLARIN] Was the payment in cash?

[Answer] I do not know that, either.

The fact that few statements can be obtained aside from documents sent to the commodity exchange is par for the course, now that the largest company in Argentina has been privatized. But the privatization of AGIP followed a similar pattern.

All those interested in the Italian properties had to keep their lips sealed regarding the transaction. Those who responded to the call of the Swiss banks received a booklet with the basic figures concerning the operations of the firm established by Enrico Mattei (father of ENI) after World War II. They were sworn to silence with respect to the content of the booklet.

Some of those initially interested were turned off by the nature of the sale. It was not an adjudication in the Argentine tradition, which, in the best of cases, is defined as a highest-bidder transaction. ENI studied the offers and decided on the winner *a piacere* [at its whim].

They were also displeased with the prices that began to be mentioned: In Rome there was talk of figures as high as 100 million pesos. Small oil companies were not willing to pay more than 40 million for the entire package.

Before an official offer was made, Astra, Puma (Soldati Group), and even Shell, which had made initial overtures, withdrew from the bidding. It came down to the home stretch, and Argon, one of the three A's (along with AGIP and Autogas) that monopolize the canister market, faced defeat. So, reportedly, did Sol Petroleo, a small company that sells gas and also distills solvents.

But YPF beat them hands down. Estenssoro had his heart set on annexing the AGIP infrastructure. The goal is to turn the GNC stations into dual stations that can also sell gasoline, which would give it a better edge in the fuel market that YPF, Shell, and Esso are competing for. With an additional investment of between $80,000 and $100,000 per station, it will add to its arsenal the outlets acquired from AGIP in the Capital and in Greater Buenos Aires. To round out its strategy, all it needs to do is persuade the station managers to exchange the yellow AGIP sign for the light blue YPF sign.

[Box, p 20]

Disturbing Growth

Domingo Cavallo was upset by the idea. Just when the Economy Ministry is trying to do something to combat the oligopolistic practices in fuel sales, YPF strengthens its position in the GNC market with the purchase of AGIP, which gives it a 48 percent share.

His closest aides even discussed ways of suggesting that YPF pull out of the deal. But YPF is run by Jose Estenssoro, the executive president who acts on behalf of the D-class (private) shareholders. And while the state still holds 20 percent of the shares, that amount bears no weight when it comes to making operational decisions, which in many cases are reported to the rest of the board of directors after they have already been made.

Now YPF also has the edge in the GNC market, where sales have multiplied several thousand times in less than eight years. On the other markets, it was already number one: In gasoline and gasoil, it leads all other companies; it controls more than half of the oil and gas reserves and production facilities, as well as distilling capacity.

In the private management of YPF, what matters most is showing good results to the stockholders on the inside, and the more numerous ones on the outside. For this reason, the addition of the AGIP sales network will enable it to compete better and with fewer outlays: All it will have to do is add hoses for gasoline and gasoil to the existing GNC connections.

Since the oil compañy will retain the management of the stations located in the Capital and Greater Buenos Aires (those in the interior will be subject to private management and credit), it may show a new face soon, with the more modern facilities that AGIP operated. This will cost less than upgrading the stations connected to the YPF network.

For the Economy Ministry, this is less a matter of business than of strategic considerations. The problem arises when the international prices of crude oil fluctuate, while Argentine gasoline prices act as if nothing had happened.

This occurred a few months ago, and in addition to the finger-pointing and momentary anger at YPF, Shell, and Esso, it prompted a petition filed with the defense council that deals with these matters. The petition was based on allegations of oligopolistic management, and it is not known what the ruling was.

Paving the way for more effective control, the draft of the new hydrocarbon law contains a chapter providing severe penalties for monopolistic or oligopolistic practices. Under this system of enforcement, YPF is in for closer scrutiny.

Brazil

Survey Examines Possible PMDB Presidential Candidates

PY1401140094 Sao Paulo FOLHA DE SAO PAULO in Portuguese 12 Jan 94 Section 1 p 4

[Article by Josias de Souza]

[Text] Former Minister Antonio Britto is the favorite candidate to represent the PMDB [Brazilian Democratic Movement Party] in the presidential race. A survey conducted yesterday by Datafolha among party leaders and Senate and Chamber of Deputies party bloc members reveals that 35 percent of PMDB followers questioned want the party to support Britto in the presidential race. Former Governor Orestes Quercia came a distant second with barely 10 percent of the votes.

The survey conducted during a PMDB leadership meeting in Brasilia confirms the supposition that Quercia dominates the party apparatus. During an interview with FOLHA last weekend, Quercia indicated his candidacy and ruled out Britto's chances:

"It is too soon for him," Quercia said.

The survey shows that his party does not think so.

Nearly 100 PMDB leaders attended the meeting yesterday. Datafolha questioned 72 of them. The numbers reveal more bad news for Quercia: Senator Pedro Simon (RS) [Rio Grande So Sul] appears in third place with 6 percent support, only 4 points below the former Sao Paulo governor. Simon is Quercia's arch-enemy and will work better with Britto. When we add the percentages obtained by Britto and Simon, we can see that the two candidates are preferred by 41 percent of PMDB leaders.

Sharing third place with Simon is Goias Governor Iris Rezende, also with 6 percent. Rezende is an old friend of Quercia but is undecided on who he will support. Next in the list (with 3 percent) is Parana Governor Roberto Requiao, another enemy of Quercia. Next, with a mere 1 percent are former President Jose Sarney, Governor Luiz Antonio Fleury Filho, and Deputy Odacir Klein—the Congressional Investigating Committee vice president.

Finance Minister To Leave Government; Run for President

PY1801000294 Rio de Janeiro O GLOBO in Portuguese 17 Jan 94 p 3

[Text] Recife—After admitting that he will leave the government to run for the presidency, Finance Minister Fernando Henrique Cardoso began his campaign and selected PT [Workers Party] candidate Luis Inacio Lula da Silva as his target. He accused Lula of not having a consistent program for Brazil. The minister believes Lula will not achieve the presidency and warned that a PT government "would ruin many good things," as happened in the [former President Fernando] Collor government.

"I cannot see Lula's proposal. What kind of model does the PT want for Brazil? Everything is very confusing, very ambiguous. Is it going to be a big Nicaragua? A Cuba? There is nothing," the minister said.

Cardoso made his attack against Lula on the night of 15 January when, after distributing food to those suffering from the drought in the interior of Pernambuco State, he continued with his agenda as a candidate with the recording of a radio program. The minister tried to indicate that he does not fear a confrontation with Lula, and he even minimized the PT candidate's popularity, stressing that poll results do not have very much significance.

Regarding the support given to Lula during the 1989 campaign, Cardoso indicated that that was another time, and that the PSDB [Brazilian Social Democracy Party] considers the PT's program incompatible. He stated that he had decided to support Lula only in the second round because he did not want to vote for the right and also in view of the electorate's demands.

"It is not that Lula is an evil person. The trouble is that he does not have a program."

Cardoso again admitted the hypothesis of running for president and that he considers it absurd that some groups already have given up on him as a candidate because they believe he should remain at the head of the Finance Ministry in order to supervise the economic stabilization program. He admitted that at this time there is no sense in discussing candidacies; he stressed that he is concentrating on the task of stabilizing the economy and that he is certain he is acting responsibly.

"None of my actions have been motivated by the idea of becoming a candidate. What I refuse to say is that I have to reject the idea if the plan is successful. My political rights were taken away from me by the military. Are my political rights going to be taken away from me because I can achieve success? I do not play with that type of demagogy," he warned.

Before participating in the radio program, the minister had a closed meeting with Deputies Roberto Freire (PPS [People's Socialist Party]), Maurilio Ferreira Lima

(PMDB [Brazilian Democratic Movement Party]), and Jarbas Vasconcelos (PMDB), the mayor of Recife. The meeting served to smooth over the disagreements, which had worsened with the attrition that led Freire to leave the government leadership in the Chamber of Deputies, between the minister and Freire. An alliance between the PSDB, PMDB, and the PPS also was discussed. The minister also took the opportunity to inform himself about the election climate in Pernambuco, and he expressed his support for Jarbas Vasconcelos in his bid for the state's governorship.

The minister also met with PSDB militants and once again explained how the fight against inflation is being carried out. At PSDB headquarters, Cardoso met a group of government officials fired during the Collor government, and he was booed when he reaffirmed the position of Planalto Palace regarding the vetoing of the draft bill that guarantees the re-hiring of fired government officials.

PT Contacts With Armed Forces Viewed

PY1701172794 Sao Paulo ISTOE in Portuguese 12 Jan 94 pp 22-24

[Article by Jayme Brener, Ana Beatriz Magno, Helio Contreiras, Fabio Sanches, and Bianca Alves]

[Text] It is 1979: the largest strike since the 1964 coup paralyzes the metallurgical industry of Sao Bernardo do Campo (SP) [Sao Paulo State] under the leadership of lathe operator Luis Inacio Silva or Lula. The military government treats the strike as a police (or Army) case and Lula as a criminal. 1989: the military establishment mobilizes against the victory of Lula as presidential candidate of the PT [Workers Party]. 1994: leader in the polls for the October elections, Lula already has the sympathy—or at least the tolerance—of important sectors of the Armed Forces, from the high command to the recruits. And the PT returns the courtesy by starting to put aside old dogmas such as the end of mandatory military service and the Calha Norte Project that foresees a greater Brazilian military presence in the Amazon. For the PT leadership, the rapprochment with the military seems worth the risk of greater internal disagreements when those who longed for the historic program begin to criticize the dissidents. Just the same, the military hard-liners do not trust the PT's softer stand and are working on the candidacy of former high-ranking conservative officers. The objective is to transfer the votes for the military candidate to Lula's adversaries in the presidential race.

The PT letter of introduction for debating with the military is a defense program draft project that was entrusted to Colonel Geraldo Cavagnari, retired, director of strategic studies at the University of Campinas. The PT leadership has not yet approved the document entitled Defense Policy and the Armed Forces which is based on a position shared by the Brazilian high command. The document says: "Regarding external defense, if war is justified, the Armed Forces cannot react quickly and do not have the operational capabilities to allow an appropriate and effective response." In conclusion, Cavagnari defends the creation of a Defense Ministry enclosing the four military institutions, keeping the mandatory military service in addition to a voluntary service, reequipping the Armed Forces, and continuing strategic projects such as the Calha Norte Project, the nuclear submarine project, the space mission, and the AMX fighter. The most important proposal, and the most controversial, is the enlargement of the military budget, from the current 0.5 percent to 2 percent of the gross domestic product. Four times more. Oddly enough, two days before finishing his project and soon after the cries of the high command in December prevented the budget cuts included in the economic plan of Finance Minister Fernando Henrique Cardoso, Cavagnari in an interview with ISTOE defended increasing the military budget from 0.5 to 0.75 percent. The cries of the military against the restrictions Cardoso wanted to impose on their budget also encouraged the approval on 4 January of a line of credit of $800 million for the next four years for the purchase of Army equipment.

The PT wing in charge of the main contacts with the military is known as "the two Joses." They are Sao Paulo Federal Deputies Jose Genoino and Jose Dirceu who in some way are counterparts of the generals and brigadiers because they participated with the guerrillas against the military regime in the 1970's. Genoino is a veteran in this type of contact but his position in a minority group within the party has somewhat tarnished his star. Dirceu is known for coordinating some kind of PT information service. Another PT expert on military matters is Minister Secretary of Strategic Affairs Mario Cesar Flores whose alias is Admiral. Flores, who is often mentioned as the man to head a military ministry under a PT administration, dismisses that by saying: "It is just foolish speculation. There was never any contact." It is known, however, that his friend Jose Genoino is the main spokesman in Congress for Flores' proposal for reforming the information services.

The officers' overriding concern in their talks with the PT leaders is to know exactly who will be at the wheel within the government if Lula is successful at the polls, since the most leftist factions control the political party machine. A party leader contends that "the commanders even accept the establishment of a Defense Ministry, but are of the opinion that putting an end to mandatory military service would lower the quality of their cadres." It is within the Navy and the Air Force that the PT finds itself more at ease to sail and fly. As an influential PT leader says, "they are indeed against authoritarian regimes because their activities largely hinge on technological development, which dictatorial governments end up by holding in check." Lula and his followers perceive that the greatest troubles are to be found in the Army. Besides small groups such as Our Homeland [Patria Nossa], from Rio de Janeiro, or Fiend [Anhanguera], from Goias, the PT has pinpointed a nucleus of hard-liners grouped around former Army Minister [under

Jose Sarney, 1989-1991] General Leonidas Pires Goncalves. This nucleus allegedly includes General Benedito Leonel, the Army chief of staff, who during the crisis that erupted due to cutbacks in the military budget was the one who sounded a note of warning about the danger of the "wrath of the legions." "The PT candidate is not an utter disaster, but does not have any administrative experience," says Gen. Pires.

Dirceu and Genoino frequent the world of the military with a view to accomplishing two things—discussing issues directly with high- ranking officers, thus bypassing established procedures in military hierarchy—which makes the military's hair stand on end—and leaving Lula out of these contacts so as to dispel the idea that the PT is knocking at barracks' doors. Dirceu states that "neither the PT nor the other political parties can politicize the Armed Forces, which are, and ought to continue to be, professional." All the contacts are made with the utmost secrecy. As the rapprochement with the military is a volatile issue, it is feared that rumors of a self-inflicted coup d'etat by Lula—similar to the one Peruvian President Alberto Fujimori spearheaded in 1992—will be bruited about in order to tie the parliamentary opposition hand and foot to prevent a possible PT government.

The breaking of that confidentiality law about the rapprochement with the military earned Genoino and Sao Paulo Deputy Aloiso Mercadante a stern rebuke from their colleagues last December. Genoino did not try to conceal a visit he made to [Strategic Affairs Secretary] Admiral [Mario] Flores to discuss the constitutional reform. Mercadante, on his part, showed to Army Minister General Zenildo de Lucena the evidence obtained by the Budget CPI [Congressional Investigating Committee] proving the involvement of leading firms of building contractors in the budget scandal.

A general of the Army Staff who asked not to be identified told ISTOE that "there is no mutual sympathy in the rapprochement between the PT and the military. It is pure pragmatism." "It is absolutely normal for the presidential candidate of a party whose relations with the Armed Forces have always been difficult to begin his campaign by calming us and by trying to please us," added a colonel holding a high post at the Secretariat of Strategic Affairs. "No one has talked as much with the military as Tancredo Neves did," he concluded. Historian Selma Rocha, who is preparing a master's degree thesis entitled "The Brazilian Army Thought, 1964-1984," to be submitted at the USP [University of Sao Paulo] School of History, has another opinion. "Things have changed, because in previous decades both leftist and rightist sectors sought to attack the military. PT members seem to be willing, for the first time, to make society debate on the subject and control the Armed Forces," she said. Army spokesman General Gilberto Serra made a drier remark. "The PT has merely realized our problems the way no other party has, but it is not an ally, just like no party is. Perhaps it is the PT which needs us as allies," he said.

The facts of the matter are that now that the cold war is over, except in some areas, the PT no longer appears in the eyes of the military as the virus of the red danger. "We are not concerned about ideological or party matters but about the efficiency of the institution," said Colonel Luiz Henrique Pirez, professor of the Army Command and General Staff School (ECEME) of Rio de Janeiro, at which generals are trained. Supreme Militry Tribunal president Brigadier Cherubim Rosa Filho has said that "one of the factors that draws the PT and the military close is that neither military officers nor PT lawmakers are involved in the corruption scandals." He even supported the bill submitted by PT Deputy for Sao Paulo Helio Bicudo, ruling that regular courts should adjudicate the crimes committed by the military against civilians.

The Superior Military School [ESG] itself, which at other times was a center for training conservative cadres, is already considering the possibility of Lula being elected. Says an ESG document: "The most probable situation, which was chosen because it is the most probable—though not the most desirable—is an election that will put a leftist candidate in power through a consensus that will include the following sectors: the largest industrial entrepreneurs, the Armed Forces, civil organizations, Congress, etc." The ESG stated that this alliance will cause a conflict between Lula and the PT leadership.

ESG officers, with whom several PT members have engaged in debates over the past few years ("Interest on the subject was second only to the debates with Herbert de Souza, also known as Betinho, the coordinator of the program against starvation," as an officer put it), are other channels for contacts between the PT leadership and the barracks. In this case, the PT interlocutors are Rio de Janeiro state leader Cesar Queiroz Benjamin, also known as "Cesinha," who is an ex-MR-8 guerrilla, and sociologist Marco Aurelio Garcia, who is a Unicamp [Campinas State University] professor and a former Troskyist leader. ESG and PT members will meet in February to debate on a common agenda of priorities. Cesinha has even sent a handwritten message to one of the officers who is organizing the meeting saying: "The idea to engage in a debate remains valid. It will be before the national PT meeting, and Lula has already said he liked the proposal very much. Greetings, Cesar." The message was accompanied by a gift of two books: one on the environment, and the other on the PT as an alternative leftist party.

The courtship between PT leaders and the military gained ground during the two months in which Luiza Erundina headed the Federal Administration Secretariat (SAF) last year. Erundina was considered the goddess of the military, because she supported their salary adjustment proposals. President Itamar Franco has even reportedly charged Erundina with "promoting agitation in the barracks." The command liked very much a decree drawn up by Erundina banning the transfer of operational military real estate properties, which former President Fernando Collor had put on the market. The military believed that transfer of the properties would paralyze the frequent transfers of contingents from one state to another. Within the SAF, there are comments that Itamar Franco reportedly designated General Romildo Canhim to replace Erundina, not because of Canihm's links with ex-president Sarney but to compensate the military for the loss of their goddess.

But the rapprochement between the PT camp and the military barracks is not all roses. Federal Deputy Jacques Wagner (PT-BA) [Bahia] has stated that "I do not like this babbling at all," adding that "the national party leadership is lurching toward a big brawl with party affiliates." Colonel Cavagnari's proposal to continue with the nuclear project (and the nuclear-powered submarine) has triggered the wrath of the green and ecologist faction within the PT, like Rio de Janeiro Deputy Carlos Minc.

The public employees lobby, which has a lot of influence inside the PT and the CUT [Sole Workers Center], does not accept military demands to do away with the salary equality policy. Federal Deputy Maria Laura (PT-DF) [PT-Federal District], public employees' standardbearer, has promised to oppose any proposal to end salary equality.

While unhappy PT followers get ready to fight the party's defense program, military hard-liners start cleaning their sabers to oppose Lula. The hard-liners have the option of promoting the candidacy of prestigious reserve officers in many states [to legislative seats] and thus attracting the vote of the military toward Lula's presidential adversaries. In Rio de Janeiro, hard-liners are supporting General Euclydes Figueiredo (brother of former president Joao-Batista Figueiredo) and Colonel Pedro Rostey, from the PFL [Liberal Front Party], and General Nilton Cerqueira (PP) [Popular Party], president of the military club, to run for seats in the Chamber of Deputies. General Newton Cruz, also known as "Nini," wants to run for Rio de Janeiro's governorship but he still has not found a party willing to support him. Brigadier Ivan Frota will run against Rio Grande do Norte Deputy Flavio Rocha for the PL [Liberal Party] presidential nomination. In the Federal District those opposing Lula will concentrate their efforts on Colonel Kurt Pessek's candidacy while Goias' radical group Anhanguera will support Colonel Silesio Gusmao.

Hard-liners want to take the air out of Lula's campaign at the barracks and prevent the emergence of new leaders such as Captain and Deputy Jair Bolsonaro in Rio de Janeiro. Bolsonaro is not liked for having mobilized officers' families at the Military Village seeking better salaries. At this time Bolsonaro does not have a party to support his candidacy because Deputy Alvaro Valle vetoed his entry into the PL. "We recognized Lula as president-elect. We have studies showing he is winning," Bolsonaro said. Lula, who tried hard to keep a very low profile during the entire process of rapprochment with the military, has started to speak up. During an interview by THE NEW YORK TIMES on 27 December the PT candidate said: "The military are treating us as if we already were the next government." Former President Jose Sarney took advantage of the quote to ironically say: "If that is true he should begin taking classes on how to answer military salutes." We do not know anything about those classes, but Lula is undoubtedly flexing his muscles.

Colombia

U.S. Soldiers' Presence in Meta Department Questioned

PA1401153894 Santa Fe de Bogota EL TIEMPO in Spanish 11 Jan 94 p 9A

[Text] Villavicencio—The confirmation of the presence of U.S. troops in this jurisdiction has caused indignation and surprise among the Meta Department and Puerto Lopez Municipality authorities.

Meta Department Governor Omar Armando Baquero asked the national Navy command for an explanation of the task being carried out by foreign soldiers in Puerto Lopez and why regional and municipal authorities were not informed about this.

EL TIEMPO has learned that some 70 U.S. soldiers, guarded by Colombian soldiers, have been in Puerto Lopez for one month, apparently building a pier for the national Navy in Rio Meta. It appears they are the soldiers who stayed six months in Guaviare Department where, according to local authorities, they built a naval base.

The U.S. troops are under the command of a lieutenant whose identity could not be established, while Major Alvaro Rico, commander of the Advanced River Port No. 63, is in command of the national units.

The operations base is located only five minutes away from the urban area of Puerto Lopez, near the road to Puerto Gaitan, and is camouflaged by big trees in a place called Senar, on the banks of Rio Meta. Some kind of camp and several shacks can be observed at the site where the Colombian sentries stand guard.

So far, some land movement and flattening work has been performed with heavy equipment such as backhoes, bulldozers, cargo trucks, dump trucks, etc.

Puerto Lopez Mayor Hernan Saavedra stated he learned of the foreign troops' presence some 20 days ago, not from an official report from authorities but because he observed some soldiers in the municipality's urban area.

The municipality residents explained it is customary to see groups of Colombian soldiers escorting foreigners who come to town to make telephone calls or to shop.

Brigadier General Luis Bernardo Urbina Sanchez, 7th Brigade commander, admitted knowing about the troops' presence in Puerto Lopez from early December. He added the U.S. soldiers will conclude their works in mid-February and will then leave the region.

Mayor Cites Weapons Brought by U.S. Troops in Juanchaco

PA1601030994 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0132 GMT 16 Jan 94

[Report by Magnolia Ruiz; from the "TV Today" newscast]

[Text] The gringos that are camped out in Juanchaco have certainly brought weapons, reported Tulua Mayor Gustavo Alvarez Gardeazabal today. They have enough weaponry to seize half of Colombia, he said.

[Begin Alvarez recording] The U.S. presence is a presence of foreign troops. Those people brought weapons, but Admiral Jose Ignacio Rozo [commander of the National Navy Base at Malaga Bay] has their weapons stored in a container that is under the custody of a Colombian soldier. The admiral is executing strict orders based on an agreement, but a foreign Army is undoubtedly being lodged at a Colombian naval base; therefore, it was necessary to request the Senate's permission. [end recording]

The great doubt of why prevails. What is the reason? What explanation will be given concerning a large weapons shipment under the custody of a Colombian Navy member if they reportedly came to cooperate with Colombia and build projects in the zone?

[Begin Alvarez recording] I met with a commission from the Prosecutor General's Office, which is investigating the case. I suppose the same will be done by the commissions being sent this week by Valle Department's assembly, Buenaventura's council, the Senate of the Republic, and many journalists from different media, who will witness how enough weapons to seize half of Colombia were transferred to build a small school and a health post. [end recording]

U.S. Military Planes Overfly City, Fail To Heed Calls

PA1501184794 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1809 GMT 15 Jan 94

[From the "NTC News" newscast]

[Text] Attention: A few minutes ago some U.S. military planes overflew Barranquilla several times. The control tower at Ernesto Cortizos Airport reported that it did not receive notification of the presence of the aircraft, adding that the crew did not respond to calls from the control tower asking them the purpose of their flight and destination.

The airplanes continued their flight, possibly toward Fort Clayton military base in Panama.

Government Planning To Explain

PA1501235694 Hamburg DPA in Spanish 2115 GMT 15 Jan 94

[Text] Bogota, 15 Jan (DPA)—Several radio stations today reported that two airplanes, apparently belonging to the U.S. Drug Enforcement Agency (DEA), flew over Colombia's Caribbean area for several hours.

The airplanes began flying at low altitudes over the cities of Barranquilla and Cartagena at approximately 0900 (1400 GMT) and after noon they were still flying.

Up until late afternoon no Colombian authority had reported any reasons for the flights, which caused concern among residents of these Caribbean cities, which are visited by large numbers of tourists.

Unofficial sources have informed DPA that within the next few hours the government of Cesar Gaviria will release an official statement explaining the presence of the airplanes in Colombia's air space.

It seems as if the airplanes are conducting routine flights between several bases, within the framework of agreements signed between Colombia and the United States to wage war on drug-trafficking gangs.

This situation has emerged at a time when Colombia is facing a huge controversy over the presence of U.S. troops who are working on various fronts.

The most controversial case has been reported in the western town of Juanchaco, where U.S. troops are building a school, health center, and highway, to which several political sectors are opposed.

Detractors say the foreign troops are taking advantage of their stay in Colombia to conduct intelligence tasks and other unclear activities that violate Colombia's sovereignty.

Gaviria's government has insisted that the U.S. aid is legal and a noble gesture, because the projects they are carrying out are for the benefit of the country's poor sectors.

DEA Members, Foreign Personnel Said Involved in Operation

PA1601031994 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0133 GMT 16 Jan 94

[Report by Javier Arango in Rio Blanco, Tolima Department; from the "TV Today" newscast]

[Text] An operation was executed this week in Rio Blanco, southern Tolima Department, presumably with the participation of DEA members. Witnesses say six helicopters landed with troops, while two small airplanes overflew the zone.

The helicopters landed, one by one, and deposited troops in the village. Certain residences were later raided.

Aircraft also overflew the area, and helicopters landed in Gaitan, a poppy and guerrilla forces center located two hours from Rio Blanco.

[Begin Hernando Cardenas recording] It has been confirmed that people's money has been seized. It is known that one person's 10 million pesos were taken. [end recording]

People living in this zone of Tolima Department say the country's authorities are doing the right thing when they provide protection, but they wonder: Why was such an impressive operation launched? Why did the operation include foreign personnel?

[Begin recording] [Father Ivan Rodriguez] I saw helicopters flying overhead. It is true, there were some foreigners.

[Jesus Valbuena] The commanders were people who spoke very little, and they were heard speaking some words in English. [end recording]

The residents of Rio Blanco are used to many difficult situations, but they are still perplexed by this operation.

U.S. Aircraft Participating in Narcotics Operations

PA1701032294 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 16 Jan 94

[Report by Nelly Gomez in Barranquilla; from the "NTC News" newscast]

[Text] The U.S. airplanes that overflew Barranquilla yesterday are participating in narcotics operations with the national government's authorization. What is unclear is why they flew so close to the ground when their route was authorized by the Colombian Air Force at 22,000 feet.

The two U.S. military airplanes overflew Barranquilla for eight hours and endangered air navigation in Colombia, according to Henry Jimenez, supervisor of the Ernesto Cortizos Airport control tower. The pilots never reported their position or altitude; all they did was identify themselves with the names of Cajun 680 Alpha and Cajun 57 Alpha.

[Begin Jimenez recording] They never answered our calls, which is why they might have caused a collision with controlled civilian aircraft. No one could tell what were the aircraft's positions or altitude at a given moment. [end recording]

According to the official, the U.S. aircraft were [illegible] critical airspace coordinate, meaning a route designa[illegible] for civilian aircraft on the Barranquilla-Santa Fe de Bogota-New York route, crossing through Curazao and vice versa.

The military aircraft left for Howard Air Force Base, Panama, at 1900.

Military Officers, Civilians Die in Helicopter Crash

PA1501201294 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1901 GMT 15 Jan 94

[Text] As Caracol network reported one hour ago, a Russian-made helicopter crashed shortly after taking off from the Tarqui Battalion headquarters in the town of Sogamoso. According to the information confirmed by authorities, the Tarqui Artillery Battalion commander, a counterinsurgency commander with the rank of major, a judge, her secretary, and a noncommissioned officer died in the accident. Several people were injured, three of whom were taken to San Jose Hospital in Sogamoso. The authorities also reported that the three helicopter pilots were Russian nationals. One pilot is injured. The information Caracol obtained indicates that three of the people taken to San Jose Hospital have been released. One of them will continue to receive medical attention but is out of danger. Here is German Garcia from Sogamoso with more details on the incident.

[Garcia] Sogamoso medical officials reported that three people were injured in the accident that took place at 1250 today. Three persons are at Sogamoso Hospital and the Social Security's Julio Sandoval Medina Clinic. We have invited Dr. Fernando Ortiz, who is the emergency ward chief, to tell us about the victims' conditions.

[Ortiz] We treated two injured persons. One was a civilian. The other patient was wearing civilian clothes, but I understand that he is a serviceman.

[Garcia] Are other injured people being cared for in other local clinics?

[Ortiz] I have learned that another injured person was taken to the Social Security clinic.

[Garcia] What are their names?

[Ortiz] Excuse me, the Prosecutor's Office asked me not to divulge that information. As you can understand, I cannot provide those names.

[Garcia] Do you know if Tarqui Battalion Commander Ramiro Guevara was among those wounded?

[Ortiz] I do not think so. The colonel was not one of the two patients that were brought to this hospital. I do not know if he was the injured person taken to the Social Security clinic.

[Garcia] Reports indicate at least nine persons were aboard the helicopter. The three injured persons were able to jump from the helicopter 200 meters before it crashed. Luckily, nobody was in that area. Our sources told Caracol that Artillery Tarqui Battalion Commander Ramiro Guevara, two sergeants, two captains, one judge, her secretary, and one civilian who has not been fully identified were aboard that helicopter. Dr. Fernando Ortiz insisted that the Prosecutor's Office is not authorizing him to reveal the names of the people who were injured in this accident.

Excess Weight Said Cause

PA1701031194 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 16 Jan 94

[Report by Patricia Uribe; from the "NTC News" newscast]

[Text] Preliminary investigations indicate that excess weight caused the Russian-made helicopter accident, in which eight people died.

The 109th military judge found the aircraft's black box recently. The aircraft, a Russian MI-17 helicopter imported to Colombia by the Heli-Taxi Company, was rented to the Colombian Air Force, which, in turn, turned it over to the Army.

[Begin recording] [First unidentified speaker remarks in Russian]

[Second unidentified speaker] He says it is film like photographic camera film, meaning it melts at high temperatures.

[Unidentified female judge] Correct. In my opinion, this is decided by a technician, an expert on the matter.

[First unidentified speaker] Obviously.

[Second unidentified] Obviously.

[Unidentified female judge] Therefore, no one knows the truth for sure right now. [end recording]

The helicopter was carrying a prosecutor and a military judge who were in charge of the investigation in connection with the assassination of 14 military members in (Huican), Boyaca Department, by guerrilla forces.

The 11 occupants were only part of the cargo. Most of the weight was in supplies and provisions that were being carried to the counterguerrilla battalions camped in the flatlands of (Huican), particularly explosives, grenades, and ammunition, which exploded in the crash.

One of the survivors, Sergeant Martin Francisco Alvarez, who is now at the San Jose Hospital in Tunja, has told his wife what happened during the last seconds of the fateful flight.

[Begin recording] [Esperanza Clarson] The helicopter did not crash. It lost altitude and then—I do not know—I believe it crashed; that is why he was saved. There was a second door, and he escaped through there. He crawled out.

[Uribe] What did he do then?

[Clarson] He hit the ground, and that was when the helicopter exploded.

[Unidentified speaker] No, the helicopter did not explode. It looked kind of lopsided, like when there are too many passengers, meaning excess weight, and it crashed against this house. [end recording]

The aircraft pilot was retired Air Force Major Jorge Hernan Lopera, and Juan Castillo Flores, a Nicaraguan technician, acted as copilot. They also managed to survive and are being questioned since yesterday in connection with the accident.

The two pilots, both the Colombian and the Nicaraguan, are employees of the company that owns the aircraft, and they have no ties with the Colombian Armed Forces.

Two U.S. Missionaries Kidnapped by FARC in Villavicencio

PA1701130594 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1228 GMT 17 Jan 94

[From the Caracol's "0600 to 0900" newscast]

[Text] Terrorists of the 31st Front of the Revolutionary Armed Forces of Colombia [FARC] have kidnapped U.S. missionaries (Steven Welch) and (Timothy Von Bright). The double kidnapping took place near San Jose hamlet near Villavicencio, where the U.S. evangelist mission was attacked.

Kidnapping Detailed

PA1701180894 Mexico City NOTIMEX in Spanish 1740 GMT 17 Jan 94

[Excerpt] Santa Fe de Bogota, 17 Jan (NOTIMEX)—Police reported today that the Colombian guerrillas kidnapped two U.S. citizens who were involved in missionary activities in southern Colombia. The missionaries were kidnapped in reprisal for the arrival of U.S. soldiers in Colombia.

Official sources consulted by NOTIMEX indicated that a group of 20 rebels of the Revolutionary Armed Forces of Colombia (FARC) intercepted the vehicle in which missionaries Steven Welch, 41, and Timothy Vandyke, 40, were traveling in southern Meta Department.

According to the report, the two were kidnapped over the weekend on the road from Villavicencio to Restrepo, 200 km from this capital.

Although the police did not indicate the reason for the kidnapping, local unofficial sources said the rebels said it was in reprisal for the presence of a U.S. military contingent in the Puerto Lopez area, near the site of the kidnapping. [passage omitted]

Politician Critical After Attack by 'Terrorists'

PA1401150094 Madrid EFE in Spanish 1950 GMT 13 Jan 94

[Text] Cartagena de Indias (Colombia), 13 Jan (EFE)—Police report that some unidentified gunmen shot Colombian Liberal politician Jorge Luis Horta, who is running for the Senate, in Cartagena de Indias on 13 January.

Colonel Hector Mario Castro, police commander in Bolivar Department, whose capital is Cartagena, said that the attack took place some time after 1200 in the neighborhood of San Felipe Castle on Pedro de Heredia Avenue.

According to Col. Castro, the attackers, who were on a motorcycle, intercepted Horta's vehicle and shot him. However, at that moment, a police patrol came along and prevented the terrorists from accomplishing their objective, which was seemingly to assassinate him.

Following a confrontation between the criminals and policemen, the criminals fled while the patrol took Horta to the Cartagena de Indias University Hospital. Horta was shot in the chin, neck, and a hand.

Col. Castro stated that the reasons for the attack are unknown, and that although Horta remained conscious while he was being taken to the hospital, his health condition is critical.

Finance Minister Hommes Uninjured in Assassination Attempt

PA1701144894 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1409 GMT 17 Jan 94

[Text] Finance Minister Rudolf Hommes was uninjured in a bomb attack staged by individuals in an attempt to assassinate him. By chance, General Octavio Vargas Silva's car was passing by and his driver immediately went to the aid of the finance minister and drove him away. The minister has not yet spoken to reporters, but we are told that he has just telephoned President Cesar Gaviria to inform him of the incidents that occurred this morning at 0800.

[Santa Fe de Bogota Emisoras Caracol Network at 1419 GMT on 17 January adds that the finance minister was traveling eastbound in a gray BMW with license plate AH-4772. A bomb exploded as the vehicle was about to cross the bridge on 5th Avenue. The left part of the car was severely damaged. According to reports received by Caracol, the explosive device that was planted beside a utility pole contained between five and six kg of dynamite. The Santa Fe de Bogota Metropolitan Police and Administrative Department of Security experts are currently evaluating the situation and are trying to determine what type of bomb it was.]

Police Confirm Attack; Escort Injured

PA1701145294 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1350 GMT 17 Jan 94

[Report by Manuel Monsalve]

[Text] Spokesmen from the National Police Directorate have confirmed that Finance Minister Rudolf Hommes was picked up by the police director's car. According to reports received by Caracol, General Octavio Vargas Silva was not in the vehicle. The driver, upon learning of the attack on the finance minister, stopped his vehicle, put the finance minister inside, and drove him to the Finance Ministry, according to reports given to Caracol by a National Police Directorate spokesman.

According to reports, the minister's injured bodyguard, Libardo Arias, was riding a motorcycle escorting the finance minister.

We repeat: the finance minister was driven to the Finance Ministry building in a National Police Directorate vehicle. A few minutes ago there was a terrorist attack on the minister at the intersection between 26th Street and 15th Avenue.

ELN Claims Responsibility

PA1701162994 Paris AFP in Spanish 1540 GMT 17 Jan 94

[Text] Santa Fe de Bogota, 17 Jan (AFP)—A spokesperson for the Army of National Liberation (ELN) claimed responsibility for the failed attack against Rudolf Hommes, minister of finance and public credit. The spokesperson made the announcement during a phone call to Radio Cadena Nacional studios in Medellin, Colombia's second largest city.

An explosive charge was detonated as Hommes' vehicle drove past, causing damage to the car. The minister was unhurt, but one of his escorts was slightly injured.

A man who identified himself as a member of the ELN said that the attack was a consequence of the economic policies that have brought poverty and unemployment to the country.

Hommes, who is one of President Cesar Gaviria's closest supporters, has held his current post since 7 August 1990.

Report Details Attack

PA1701195094 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 17 Jan 94

[From the "National" newscast]

[Text] Rudolf Hommes, finance and credit minister, escaped an attempt on his life unhurt, but one of his bodyguards was injured. "National" newscast was the first to arrive at the scene. Here is a report by J.J. Pinilla.

[Pinilla] The attack took place at 0805 [1305 GMT], when Minister Rudolf Hommes was on his usual trip from his home to his office in midtown Santa Fe de Bogota. One policeman was wounded. The charge, consisting of over 10 kg of ammonal, was placed at the base of a lamppost on 26th Street and 5th Avenue and detonated by remote control. Following the explosion, the minister's driver continued on for another block despite the fact that one of the car's tires was flat. They stopped at the Santa Monica Hotel, where Hommes Rodriguez left the vehicle and was taken to his office in another vehicle.

[Begin recording] [Police Colonel Miguel Angel Meza] He was taken directly to his office.

[Reporter] What happened to the policeman. [Meza not heard to answer]

[Reporter] What route were they taking? Where was the minister going?

[Meza] He was going to his office. [end recording]

[Pinilla] A police bodyguard identified as Libardo Arias was injured. A mass transit bus and a private vehicle that were passing by were damaged.

[Begin recording] [Bus driver Enrique Molano] [Words indistinct] just leave me alone.

[Reporter] How did you react when the bomb exploded?

[Molano] I put on the brakes because the lamppost fell on top of the bus. That is all I saw. Smoke filled the bus. [end recording]

[Pinilla] The severity of the attack was lessened thanks to the skill of the minister's driver, who never stopped the vehicle despite the explosion.

Gaviria Meets With Minister

PA1701150194 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1432 GMT 17 Jan 94

[From the "Up-to-the-Minute" newscast]

[Text] Rudolf Hommes, minister of finance and public credit, is now meeting with President Cesar Gaviria to assess the attempt against his life—in which he was not hurt—and his security situation. The Presidential Palace and its perimeter are under military control, and special security measures are being implemented throughout the city.

Reporters Question Hommes

PA1701185394 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 17 Jan 94

[From the "National" newscast]

[Text] The Camilist Union of the Army of National Liberation, UC-ELN claimed responsibility for the attack on the life of Rudolf Hommes Rodriguez, finance and public credit minister, minutes after the explosion was heard. In a telephone call, the group added that although they failed this time, they will try again. A visibly shaken Minister Hommes spoke to reporters after he met with President Cesar Gaviria.

Two hours after the attack, the finance and credit minister's face said it all. As he left the ministry, reporters saw an ashen, shaken Hommes never seen before.

[Begin recording] [Hommes] I left my house and half a block away the bomb exploded.

[Reporter] What did you feel at that time?

[Hommes] A big bang and lots of smoke.

[Reporter] The ELN has just claimed responsibility for the attack. It said it opposes the policy of poverty and unemployment in the country.

[Hommes] I have nothing to say. Pardon me, but this is a security risk.

[Reporter] Dr. Montenegro [not further identified] said you have been receiving threats for a year.

[Homes] Pardon me, you understand. There will be a news conference later. This is not the place to be giving an interview. [end recording]

Government Minister on Attack, Economy Minister Resignation

PA1701191294 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 17 Jan 94

[Interview with Fabio Villegas, government and interior minister, by Ana Fernanda Valderrama at Narino Palace in Santa Fe de Bogota; from the "National" newscast—live]

[Text] [Valderrama] Here is the first reaction by the national government on today's attack on Rudolf Hommes Rodriguez, finance and credit minister. Mr. Government and Interior Minister Fabio Villegas, has the participation of the Army of National Liberation been confirmed? What steps will be taken?

[Villegas] It has indeed been confirmed that the National Guerrilla Coordinating Board [CNG] is at the root of the attack. We feel outraged, as all Colombians must feel, over this criminal attack, this murderous action by the CNG. The government reaffirms its will to maintain its policy of eradicating these criminal bands from the country.

[Valderrama] A report from the Narino Palace stated that Economic Development Minister Luis Alberto Moreno resigned. The name of his replacement is being studied here at the Narino Palace. What names are being mentioned?

[Villegas] [laughs] You have to ask the president.

Army Continues To Seize Venezuelan Weapons From Guerrillas

PA1601150294 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 15 Jan 94

[From the "NTC" newscast]

[Text] Weapons of the Venezuelan Armed Forces continue to fall into the hands of Colombian guerrillas. Here is evidence: Troops of the 7th Brigade headquartered in Villavicencio seized an FAL assault rifle, the regulation weapon of the Venezuelan military, from the FARC [Revolutionary Armed Forces of Colombia].

The guerrillas repainted the rifle to hide its origin, but under the paint an inscription can still be read: Venezuelan Armed Forces.

There are 80 other rifles like this one in Villavicencio, not counting the ones seized in other areas of the country.

Venezuelan Military Staff members will arrive in Bucaramanga on 18 January to request the return of a large number of Venezuelan weapons seized from several guerrilla fronts.

The official Venezuelan explanation continues to be that the weapons were stolen from border garrisons.

The Colombian and Venezuelan defense ministers will meet on 19 January here at the 5th Brigade headquarters in Bucaramanga to study the issue of Venezuelan weapons in the hands of Colombian guerrillas.

In dealing blows to the Colombian guerrillas over the last few months, authorities have found Venezuelan assault rifles, mortars, ammunition, and submachine guns, all of which bear the coat of arms and insignia of the Venezuelan Armed Forces.

CRS Guerrillas Agree To Demobilize in April

PA1501023494 Paris AFP in Spanish 0141 GMT 15 Jan 94

[Text] Santa Fe de Bogota, 14 Jan (AFP)—The Colombian guerrilla group the Socialist Renewal Movement (CRS), who is negotiating with the government on demobilization, agreed to surrender its weapons in April, according to an agreement signed on Friday and released by the two sides.

The CRS, made up of approximately 300 rebels, a dissident faction of the rebel Army of National Liberation (ELN), began holding talks in December 1993 in Flor del Monte, Sucre Department.

The negotiating agenda states that the ceremony for surrendering weapons and reintegration into democratic life will be held on 3 April. The document was signed by Carlos Jaramillo, presidential adviser for peace, Deputy Government (Interior) Minister Jorge Garcia, and CRS spokesmen Jose Aristizabal, Fernando Hernandez, and Alfredo Vivies.

The agreement covers social development, economic and social reintegration, legal benefits, human rights, citizens' participation, concerted economic efforts, and political favoring. The last topic makes reference to the rebels' desire to participate as a legal political group in the legislative elections to be held next March.

Aside from the agreement, it was reported that 11 members of the rebel group deserted from the camp and took several assault rifles and ammunition.

Guerrilla Column Occupies Town; 2 Killed, 3 Wounded

PA1701215494 Paris AFP in Spanish 1937 GMT 17 Jan 94

[Text] Santa Fe de Bogota, 17 Jan (AFP)—Police have told AFP that an FARC (Revolutionary Armed Forces of Colombia) guerrilla column consisting of approximately 250 men mercilessly occupied Florian, southwest of Santander Department, early today. The rebels killed two policemen, wounded a noncommissioned officer and another two agents and robbed a bank.

In a telephone call to Bucaramanga, the departmental capital, the police added that the attack was executed by subversives of the FARC's 23d Front who destroyed the local garrison but did not harm civilians.

Florian is located 300 km from Bucaramanga. The town woke up in a panic due to bullet noises from the two sides, the police command stated, adding that the municipality was already back to normal this afternoon.

According to the report, there were nine policemen and a noncommissioned officer stationed in the town. They responded to the rebel fire for six hours until they ran out of ammunition.

The guerrillas attacked the garrison with fragmentation grenades and mortar fire. After the policemen ran out of bullets, the rebels stole their weapons, which included seven rifles, two carbines, several revolvers, and three shotguns.

Prior to leaving for the mountains of Santander, a farming and cattle-breeding region 420 km from Bogota, the guerrillas dynamited the local bank's safe-deposit box and took the money that was deposited there.

Authorities Say Cali Cartel Has Organization in Peru

PA1601011094 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 15 Jan 94

[From the "24 Hours" newscast]

[Text] The Cali Cartel is as powerful in Peru as it is in Colombia. According to intelligence reports, the organization operates by bribing the authorities who try to fight them. The very few who have dared to report on them are the journalists.

Myriam Ortiz brings us a report, done with the cooperation of Peru's Channel 9:

[Begin Ortiz recording] According to authorities, the so-called Cali Cartel also has a well-structured organization in Peru known as Los Calenos.

Waldo Vargas, alias El Ministro, is considered the main leader. He purchases drugs worth $144 million every year. Vargas, born in Colombia, is the lord and master of the Bajo Huallaga area. He has gone as far as using

Peruvian Air Force helicopters to transport drugs, according to information given to the general command.

Demetrio Limoniel Chavez, also known as El Vaticano, is the other leader of the organization. It is estimated that he buys $216 million worth of drugs every year. El Vaticano works with his brother Humberto, also known as Calavera, who manages the landing strips, but his main storage center is in Palma Pampa, Ayacucho, from where the flights leave for Colombia.

Berta Chavez, also known as La Calena, is El Vaticano's sister, and she markets 5 tons of coca paste each month. She was arrested in September 1993, but a judge released her recently.

(Luis Hernan Pineda Menjura), also known as Trompa de Buque, and La Calena were in charge of a shipment landing strip and this laboratory uncovered by police.

Everything seems to indicate that this cartel's strategy is to buy the authorities in charge of fighting drug traffic. For this reason, they operate as if they were in their own homes, and the cases of corruption become more evident everyday.

Major (Enrique Paez), former commander of the Zaposoa Base, has admitted he allowed drug flights to come in, while Maj. Alfredo Ruiz, former commander of (Duchisa), was caught when he was authorizing the shipment of a cargo of coca paste to Colombia.

The military does not like the journalists' research. Some have been murdered; others have received death threats. [end recording]

Police Commissioner Interviewed on New Disciplinary Code

PA1501035394 Santa Fe de Bogota EL TIEMPO in Spanish 11 Jan 94 pp 1A, 12C

[Interview with Adolfo Salamanca, Colombian National Police commissioner, by unidentified reporter in Santa Fe de Bogota; date not given—first five paragraphs EL TIEMPO introduction]

[Text] The government issued a new disciplinary code—some sort of Ten Commandments—for the National Police on 7 January.

The objective is to fight corruption. The person responsible for implementing this new code is Adolfo Salamanca, the country's first National Police commissioner.

The commissioner has received EL TIEMPO in his residence and spoke clearly. "The police," he said, "is the institution that violates human rights most often. I say this based on reports from the Attorney General's Office, which in 1991 reported more than 1,500 cases of police human rights violations."

"This means," he explained, "that errors are being committed, that the law is being infringed, and that the citizens' rights are being passed over, and this must be corrected. I am sure that the current police director wants this."

According to Salamanca, the police must recover its civilian role and end a militarization process that has deformed the institution's philosophy. He answered questions in the following interview:

[EL TIEMPO] How do you view the police high commissioner's mission?

[Salamanca] The commissioner must contribute to the strengthening of reform and coordination efforts to determine, evaluate, and prevent problems.

The commissioner has to order and supervise the investigations against members of the institution and personally receive complaints and proposals from the people.

[EL TIEMPO] There was strong resistance to the appointment of a civilian to that post, and some believe that your role there will perturb more than one person.

[Salamanca] The appointment of a civilian is in line with a worldwide trend. As errors, human rights violations, and police corruption have become known, there has been a growing trend toward citizens securing control and establishing supervision.

I believe that to the extent my own limitations allow, I will be able to contribute unselfishly, along with the Police Directorate, to enforce compliance with reform to change the institution's image so that the people may believe that police work means protection. The police form part of civilian society. The police force is civilian.

[EL TIEMPO] Have the police forgotten their civilian roots?

[Salamanca] I do not believe they have forgotten that. It is that as the police they have been assigned multiple functions, which are often beyond their own capabilities and mission, and as they have been identified as in the same genre of the military administration and the military forces, the way of acting and the work of police have been deformed. [sentence as published] It would be ideal if the police could walk the streets without carrying weapons.

[EL TIEMPO] What do you mean by "the way of acting and the work of the police have been deformed?"

[Salamanca] This is what the reports that produced the reform say. There are vices, such as the participation of some members of the institution in efforts to defend private interests.

There is also the militaristic approach with which the institution has been managed on certain occasions.

Also, no one ignores that certain police sectors have become independent and that as such they engage in illegal activities. This is what an author called the "autonomizing" of certain police sectors.

It is also evident that the people complain about the inefficiency, slowness, lack of opportunities, and lack of infrastructure the police must overcome in complying daily with elemental missions.

The police is also the institution that most often violates human rights, according to reports from the Attorney General's Office which in 1991 reported more than 1,500 cases of human rights violations by the police.

There is one additional fact: The largest number of cases against the state at the court for suits under administrative law arise from police actions. This means that it is evident that errors are being committed, the law is being infringed, and citizens' rights are being infringed, and this must be corrected. I am certain that the current director is interested in this happening. We must order and supervise investigations. We must report the results to the people.

[EL TIEMPO] There are announcements about all types of investigations in Colombia. Citizens are skeptical about results. What will change now?

[Salamanca] The current structures and functioning of control mechanisms have not been efficient enough to make results known. We are committed to making the results known. This situation must be corrected.

It is no easy task. I am aware of the many difficulties and risks that this entails, but we are committed. We are going to engage in a pedagogic endeavor, and I am sure we will be heard.

[EL TIEMPO] Any risks?

[Salamanca] Surely, as interests are affected and the people outside the law become afraid of an investigation and penalty, and in this, like in any other activity, there will be negative reactions, of course.

President Appoints New Economic Development Minister

PA1701225294 Hamburg DPA in Spanish 2058 GMT 17 Jan 94

[Text] Santa Fe de Bogota, 17 Jan (DPA)—Colombian President Cesar Gaviria appointed today young politician Mauricio Cardenas as the new economic development minister, Narino Government Palace sources have told DPA.

The new minister is the son of Jorge Cardenas, Colombian coffee czar, and he currently holds the post of manager of the Colombian State Energy Enterprise.

This will be his second experience in the public sector, because previously he had dedicated himself exclusively to managing private sector companies.

Cardenas must carry out an industrial reconversion process initiated by his predecessor. The process is aimed at boosting industry in the face of the economic opening implemented by Gaviria's government.

The incumbent minister resigned to join the political campaign of Conservative candidate Andres Pastrana, who in early February will launch officially his presidential campaign.

President Gaviria Holds News Conference

PA1801015294 Santa Fe de Bogota Emisoras Caracol Network in Spanish 2203 GMT 17 Jan 94

[News conference by Colombian President Cesar Gaviria with local reporters and an unidentified moderator at the Narino Government Palace in Santa Fe de Bogota—live]

[Text] [Gaviria] The finance minister represents the Colombia of today and the country's process of modernization. Colombia would like to again become a serious country, a country that wishes to become internationalized, a country that does not want populist politics but wants to modernize. The minister became a terrorist target due to what he represents. The idea is to intimidate all of those who would like to modernize this country. The minister, therefore, represents a threat to them, the guerrillas, who are incapable of convincing the Colombian people with their laconic language, with their message of violence and terrorism. Obviously, they oppose all changes in this country; they do not want this country to feel sure of itself or leave violence behind.

[Moderator] A question by Carlos Ruiz from Caracol while Javier Cardenas of Super gets ready.

[Ruiz] Mr. President, the American community awaits your statement regarding your candidacy to the post of OAS secretary general. Will you accept the nomination that certain countries have proposed?

[Gaviria] I still do not know if I will accept. It is public knowledge that several countries, several governments, have expressed interest that the Colombian president be nominated to the post of OAS secretary general. I am listening to some of the arguments and have spoken to numerous heads of state, and the foreign minister has made consultations. When we estimate that the time is right, we will make a decision, considering not Cesar Gaviria's personal interests but the country's interests, the nation's interests, and we will see whether the country is interested in holding the seat of OAS secretary general. That is why public opinion should realize that I would be representing the country as a Colombian candidate and not simply as my personnel aspiration.

[Moderator] The next question is by Javier Cardenas of Radio Super while Carlos Ruiz of Caracol gets ready.

[Cardenas] Mr. President, what is your reply to the people who say that you are negotiating the post of OAS secretary general in exchange for allowing the installation of U.S. military bases in Colombia?

[Gaviria] I believe those affirmations are ridiculous, simply ridiculous. I understand there can be people who may question the presence of advisers or engineer personnel or people who are helping to fight drug trafficking in Colombia, and I would be willing to reply to such a question. The Colombian president does not negotiate the country's position, however. The president defends the country's sovereignty, defends the country's interests, even though the president can understand that in certain cases there can be legitimate doubts and concerns. In other cases the president sees certain intentions to protect drug-trafficking interests; unfortunately, in these comments all sorts of opinions become intermingled. There are the concerns of those who legitimately have concerns, worries, and doubts, while there are some who may worry that the country will continue its anti-drug—trafficking struggle. Unfortunately, many recent rumors are seemingly promoted by the latter.

[Moderator] Next question is by Antonio Jose Caballero of RCN while Sabina Hernandez from Toledar gets ready.

[Caballero] Mr. President, are you willing to reply to the other part of the question? Public opinion is listening. Why did the gentlemen come to Juanchaco Base? What are their specific tasks? Why did U.S. airplanes overfly Barranquilla yesterday while people complained—especially after they overflew the airport?

[Gaviria] With pleasure. You have asked me two questions, but I will reply with pleasure, because these are related topics. In Colombia there is a U.S. military presence engaged in civilian work, advisory work, maintenance work, training of Colombian troops, and, on other occasions, their own training. Colombia approved a law back in 1947. There are numerous agreements, memorandums of understanding, and accords. These U.S. military missions have taken place during every administration. The specific case of Juanchaco is covered by a memorandum of understanding signed by Defense Minister Rafael Pardo and the U.S. ambassador for joint engineers corps exercises. I would say that the building of a school and hospital are subproducts of a joint engineer corps training. The same goes for the building of river ports, such as the one built in San Jose del Guaviare, another being built in Puerto Lopez in El Meta Department, and others that are planned in Magangue even though there is still an agreement that these are tasks of an engineering corps nature, which are backed by an agreement between both governments.

Regarding the overflights yesterday, those were duly authorized flights that are part of the struggle against drug traffickers. The Colombian Air Force has authorized them, which is legal. The Civilian Aeronautics Directorate was duly notified, and because these airplanes have radars, they report to the control towers of the Colombian military base in Barranquilla; therefore, as far as the president of the Republic knows, everything had been agreed within the procedures. There was no violation. These airplanes—which were authorized by the Colombian Air Force—did not have to report to the control tower, and the Colombian flights were not in danger.

That is the information the president has received from the Director of Civilian Aeronautics, as well as from the defense minister; nevertheless, the Civilian Aeronautics Directorate is conducting an investigation and will release some information, but the information I have received today from the commander of the military forces, acting defense minister, as well as from the director of Civilian Aeronautics totally coincides to what happened, and, as far as we have been able to verify, those flights involved no irregularity.

[Moderator] Sabina Hernandez from Todelar Radio poses a question, and Azucena Lievano from the "24 Hours" newscast prepares her question.

[Hernandez] Mr. President, after this morning's attack on the finance minister, it was reported that other cabinet members, other government officials have been threatened. Isn't it worrisome that we have these types of violent deeds and threats against high-ranking government officials?

[Gaviria] Of course, of course it is; and the country must know and always remember that in this country there are guerrilla groups dedicated to terrorism, that the individuals who perform public duties—not just the members of the government but other types of public duties, such as journalism and other activities, people linked to the private sector—must take relatively important security precautions. The government is taking many precautions but cannot fully guarantee anyone's security.

As I already said, these are desperate actions by Colombian guerrillas, aimed at trying to show that they still at least have the terrorist force, even if their military force has been undermined, and statistics clearly show this. They want to show that even if the number of kidnappings in Colombia has been reduced significantly, that the number of guerrillas in jail has grown rapidly, that the number of soldiers killed in combat is much less than the numbers of previous years, that even if we have so many successes to show in the struggle against drug traffic, against the guerrillas and against terrorism, they have even more capacity for producing personal attacks such as the one against the finance minister. [sentence as heard]

[Moderator] Azucena Lievano asks her question, and Diana Mateus of the [word indistinct] Radio.

[Lievano] Mr. President, Rafael Santos' column in EL TIEMPO says that he feels that Foreign Minister Noemi Sanin is looking for a seat for the president of the Republic with the nation's resources and in the presidential plane, which is touring some countries seeking votes for you at the OAS. What is your response to this?

[Gaviria] I answered that question in part, but I think it would be good to broaden the response.

This country, as part of its modernization process, must also modernize its international policy. Countries do not get automatic positions at international organizations, rather, through the support they get and by presenting their candidacies as candidacies of the country. If the country continues to adhere to the idea that the aspiration or possibilities of its nationals to aspire to organizations of governments, such as this one, we would simply never have access to the international organizations. [sentence as heard]

The other individuals who have nominated themselves for this office—and I have not—have the full support of their governments. A foreign minister has been campaigning for several years, and no one from his country has told him he is undermining his country's interests or asked him why he does it. The other one is a former foreign minister, and he did so in the same manner and he has all the support of the Venezuelan Foreign Ministry.

These are things that form part of the learning process the country has to undergo to overcome its provincialism and to understand that for a country it is important to get international positions.

I believe this country should feel honored, because other presidents and other governments believe their president can be secretary of the organization of all the American states. What the foreign minister is doing is being done for the country; she is involved in a consultation process. She has also carried out extensive processes to achieve progress in Colombia's cooperation with Caribbean nations; that is a process to which we have been committed for quite a while.

You have seen the president travel to Trinidad and Tobago; you have seen the president travel to Jamaica. You have seen how the country has tried to amend something that represented a critical mistake in our international policy, meaning, turning our back on the Caribbean. There are other Caribbean countries on the continent—Venezuela, Canada, the United States, Mexico—which have an active presence there.

Unfortunately, because we have always looked toward the Andean mountains and never toward our seas and outside our country, we had that attitude of ignoring and turning our back on the Caribbean. We have now changed that attitude and are looking toward the Caribbean; we are working in the Caribbean.

In my opinion, what the foreign minister is doing is useful for the nation, and it has been done based on something that benefits the country's interests rather than its president.

[Moderator] The following question is from Diana Matheus of Radio Santa Fe. William Parra of CMI is next.

[Matheus] Mr. President, if your nomination to the post of OAS secretary general is confirmed, aren't you afraid this might provoke political confrontations, particularly with the Costa Rican Government, whose president and foreign minister have stated this might result if you accept this nomination to the OAS post? Also, if you are not elected, will you play the fool, as some presidential hopefuls have stated?

[Gaviria] First of all, I would like to make something clear: I have made no decision; you are asking a hypothetical question. Second, the Costa Rican president and his foreign minister have clearly stated that there could be no confrontation between the two countries. It would be a friendly and normal dispute within international relations. I believe the country would hurt itself greatly if it were to think that the only way to be present at an international organization would be by getting unanimous votes. A country would do itself a disservice if it were to believe that it cannot compete or that if it loses it is a national tragedy. No. To be part of the community of nations is to understand the rules of democracy. It is to understand that one can participate, can present candidates, or can win or lose.

I am not speaking about my personal case. I am talking about any case or any candidate presented by Colombia. Colombia cannot tie itself down to the anachronistic idea that if a candidate is presented it is due to personal not national interests and that a candidate cannot be presented unless there is a certainty that he will win. If that certainty is not there, what would the international community think? What kind of an attitude is this? I think these are very big misconceptions about a country's international policy.

A country that wants to have a presence in the international scenario must be willing to face these contingencies. It must present candidates, nominate its nationals, fight for them, and abide by the rules of democracy. I am not talking about my personal case. I must examine all factors, listen to commentaries. I must read what the columnist wrote yesterday or the comments made by distinguished presidential hopefuls.

You must be certain that I will assess them, but this does not mean that the country should cling to such anachronistic ideas, ideas that are very foreign to the country's interests.

I think that to refuse to have an international presence, to fail to participate in international organizations, and to feel that it is indecorous to compete is very bad for a country.

[Moderator] William Parra will ask the next question. Pablo Mantino of Colprensa will prepare his question.

[Parra] Mr. President, there are certain analysts who are saying that the attack on the finance minister is a way of reminding the government of the guerrilla presence or a way of pressuring the government into a dialogue. Your government has favored the policy of repression. The doors to dialogue have been closed for the time being. To what extent will your government be willing to implement again the peace policy? To what extent will we be on the verge of witnessing elections that will again be violent, elections with attacks on the candidates, not by drug traffickers this time but by guerrillas?

[Gaviria] The Colombian president—this president—has never shut the door to political solutions. I believe in them, and I think that they will bring peace to this country some time in the future. The guerrillas can be certain of one thing, however: The government's policy will not change as long as there are terrorist attacks and bombs. On the contrary, this is convincing us further of the need to insist on our policy of strengthening intelligence and the public force, insisting on creating counterinsurgency battalions and mobile brigades, and strengthening our justice. This is all attacks like this produce. Another thing they produce is the nation's indignation, the people's rejection of guerrillas. I am certain that there is not a single good citizen—good citizens are the majority of the people in Colombia—in this country who does not reject an attack like the one this morning. If the guerrillas think they are going to change this nation through attacks, they are very wrong. All they are doing is isolating themselves further.

[Moderator] The following question is by Fabio Pantino, followed by Maria Claudia Pena of LA PRENSA.

[Pantino] Mr. President, the Socialist Renewal Movement has warned that the Antikidnapping Law is a legal stumbling block to any agreement with the government. What can the government do to dispel any apprehension by the Socialist Renewal Movement?

[Gaviria] My answer is that that is a discussion we must hold at the negotiating table with the Socialist Renewal Movement. Sooner or later we will come to a point where we must hold a discussion on that issue; we will have to find a solution at the negotiating table. The position of the government, the government negotiator, the peace adviser, and the government minister is that—as cited by the Congress of the Republic—kidnapping will not be a [word indistinct]. We have to hold discussions with the movement at the negotiating table, and I would not like to draw conclusions on what the negotiations would be like, nor am I at liberty to interpret the movement's position. Nevertheless, the government's position has been that one, and that position is supported by the president of the Republic. The antikidnapping law cannot be set aside during discussions with the Socialist Renewal Movement.

[Moderator] The following question is by Maria Claudia Pena and will be followed by Hugo Barter from Univision.

[Pena] Mr. President, in case you do decide to run for the post of OAS secretary general and in case you are elected, would you be willing to resign as president?

[Gaviria] I would like to say that I have not thought about that. Hypothetically, if I were to run and win, I would expect the position to be compatible with the conclusion of my presidential term. If I do decide to run, those within the OAS organization in charge of making decisions will have to remember that my presidential term ends on 7 August 1994. In this respect, I would have to request congressional permission to travel, and I am sure there would be no problems.

[Moderator] It is now Hugo Bartlet's turn, followed by Ana Fernanda Valderrama from the "National" newscast.

[Bartlet] Mr. President, during this last stage of your administration, what will be the objective—militarily speaking—if at this time the guerrillas have become public enemy number one concerning terrorism?

[Gaviria] We do not plan to change our policy toward the guerrillas due to what took place. The guerrillas have been conducting terrorism for a long time. Maybe they have not conducted any terrorist attacks such as the one against Minister Hommes for some time. Their activities within the urban area were mostly restricted to explosions and some bus burnings. This attack makes it more unusual, however, and places the guerrillas in a more recalcitrant position than what they had previously adopted. They have now resorted not only to terrorist attacks but to selective attacks.

Somehow this will serve to remind the country how the guerrillas really think. The guerrillas believe that the process of more democracy and modernization can tolerate violent acts. This attack gives us a picture of the real nature of the Colombian guerrilla movement, how it thinks, how cruel it is, how merciless it is, and how its back is completely turned to what national reality really is. That is what it has shown us today. This stresses that the policy we have followed so far is the most appropriate.

[Moderator] Ana Fernanda Valderrama, followed by Fancisco Celis of EL TIEMPO.

[Valderrama] Good afternoon, Mr. President. The Colombian Government has not hesitated on numerous occasions to forward protest notes to other countries due to abuses against Colombians in other countries. Concerning Venezuela there have been numerous reports of abuses along the border, however, and abuses against Colombian prisoners in that country. There was a report recently related to a helicopter that crashed in Colombian territory. Foreign Minister Noemi Sanin traveled to Venezuela, and just when everyone was expecting a protest note it never came. Why does the Colombian Government hesitate so much when it comes to this case?

[Gaviria] Relations between Colombia and Venezuela are excellent. President-elect Rafael Caldera has also said the same thing. There will be more and more incidents as our economic and political relations continue to grow. We cannot respond to every incident through protest notes unless it is absolutely necessary.

The Venezuelan authorities—their foreign minister, defense minister, president, attorney general—have all heard our versions of the facts, our report. They have offered to investigate them and have undertaken their own investigation. We trust that those responsible will be punished if our version of the facts turns out to be true, as I think it is. We have the duty, however, of having a constructive relationship with a nation whose relations are good, with whom we have a common destiny, and we are not undermining our sovereignty or the rights of Colombians by not sending a protest note every time there is an incident.

We also have to remember that over there they also have problems, that there are Colombian guerrillas who kidnap stock breeders and Venezuelan citizens, that there are Colombians who are linked to drug-trafficking networks and that they have been extending their drug-trafficking activities to that country, that there are Colombians who have links to the robbery of vehicles.

What if Venezuela did the same thing to Colombia? That for every incident or every kidnapping, or every such situation, every stolen car, they sent a protest note? No. The two nations cannot work this way. These are two sister nations that have excellent relations. What we try to exhibit is if there is comprehension and understanding in a relationship, things can be talked out; they are discussed, analyzed; commitments are made. If for every incident we sent a protest note, we would not be helping the relationship between the two nations. Therefore, the foreign minister—after talking to the defense minister, the attorney general, the president of the Republic, and the president-elect—decided that a protest note was unnecessary and, thus, did not deliver it.

[Moderator] Francisco Veliz asks his question, and Jairo Gomez of the "Seven O'clock Newscast" prepares his.

[Veliz] Mr. President, the country will receive important revenue from the sale of the Bank of Colombia and the absorption of the cellular telephone system. What will happen with those funds? To what field will it be assigned?

[Gaviria] Concerning the funds from the Bank of Colombia, there are resources that belong to the Guarantees Fund, which is the institution that backs all the financial system in case of problems, and there are resources that belong to the nation; they are ordinary government resources that must be used in public projects once they are integrated into the national budget.

Concerning the resources of the cellular telephone system, most of them are assigned to the social telephone system, but, of course, the government and Congress together could designate how they will be used.

Those are two processes that are using totally open mechanisms and which, once completed, concerning the Bank of Colombia, it will be sold after finding the best bidder. Concerning the cellular telephone system, it will be given to that enterprise that offers the most resources to the Colombian state to help in the fulfillment of social objectives [words indistinct].

[Moderator] Next question by Jairo Gomez of the "Seven O'Clock Newscast," followed by (Giles Gastowait).

[Gomez] Mr. President, what makes you the best candidate for the OAS secretary general, the support of the United States and Canada?

[Gaviria] I am not the one who should say I am the best candidate. I evaluate the expressions and opinions of other countries and governments. Some of them are public; they come from countries of South America, North America, and it is obvious that to participate in the process, there will have to be support from the Caribbean and Central America; otherwise it would be very difficult to be OAS secretary general. I am evaluating all of those opinions.

It has been the governments of certain friendly countries that have issued certain opinions regarding the Colombian president. I am not the person who should make that statement. Certain foreign governments, through their spokesmen, have made those statements.

I think the most common reason is that certain countries want a former Latin American president for secretary general. They have many reasons to believe the OAS must move in that direction. There are others who have [one-second break in reception] of the modernization processes in Colombia, commitments with certain economic policies. There is something I would like all those present here to remember: Look at Colombia's voting record at the OAS or the United Nations or at any other international organization. I ask you to judge whether Colombia's international policy is independent.

If there is one thing this administration has done, it is to implement an international policy that is completely independent. The criticism we have received is generally due to just that—the independence we have exhibited and the autonomy of this nation. But also for that reason we have found the support of countries that have attitudes that are quite different. There have been many occasions when the U.S. State Department did not agree with Brazil or Mexico on Latin American problems or world issues, but that did not prevent them from agreeing on this occasion.

We have a long tradition of independence in matters of international policy. If the president of Colombia can find some kind of support, it must be based on that record—its tradition of having a very independent international policy. Therefore, all those suspicions that have been emerging will not affect the truth, the way Colombia votes at international organizations. The way Colombia votes is the way the president of Colombia thinks. Those little insinuations that have been made over the past few days cannot undermine our international policy, because our foreign policy is there and is evident in treaties, decisions, public statements, and votes at international organizations.

[Moderator] Guiles Casuay will ask a question. Cesar Mauricio Velasquez will prepare for the last question.

[Casuay] Good afternoon, Mr. President. EL TIEMPO published yesterday an article saying that the Presidency was worried about the progress of the talks for the surrender of the Cali Cartel bosses; is that true? How do you view the [words indistinct]?

[Gaviria] We have our own views about the policy of turning over to justice those who are linked with the cartels, the cartels of Valle del Cauca, the Coast, or so many drug-trafficking organizations existing in Colombia.

Each has its own responsibility. The prosecuting offices have their own scope of responsibilities. They are clearly prescribed in the Penal Code. The Penal Code establishes its duties and responsibilities.

The government has other responsibilities, such as security at jails, [words indistinct] decisions on how long should an inmate stay in this or that jail. The government is very committed to the policy of [word indistinct] justice.

It must be understood that for the government to give certain guarantees, people should confess their crimes; that must be their cooperation with justice. Of course, the individual must go to a high-security jail if it is a dangerous criminal.

On certain occasions we have had arguments with other organizations, the Attorney General's Office, or the prosecuting office. I am quite certain, however, that only by listening to other points of view can we design a policy that will respond to the country's interests. The guarantees that the government could eventually give should only be given in exchange for an effective cooperation that will serve to punish criminals, dismantle the drug cartels, and maintain an active attitude in the face of the drug-trafficking problem and a consistent policy that is the only thing that can make us overcome this problem.

Unfortunately, if one ignores the problem or does like the ostrich hiding its head, ignoring the problem or allowing criminal organizations to grow in the face of our indifference [words indistinct] Colombia in the past and its effects were disastrous.

I believe it is much more positive to follow a policy of being firm and clear, not ignoring drug-trafficking cartels, facing and fighting them. The operations by our public force and our justice are also positive. An essential part of this policy is the [word indistinct] of the surrender policy. The criminals, cornered by the action of the public force, will surrender to authorities, confess their crimes, and undergo a just trial. They will be given guarantees, and this will help us dismantle the criminal drug- trafficking organizations.

[Moderator] Cesar Mauricio Velasquez will ask the last question.

[Velasquez] Mr. President, certain politicians have said they cannot reach more than 170 municipalities in the country to conduct their political campaign. Don't you think the event that occurred this morning plus the fact that certain territories are off limits to politicians and even the Armed Forces are part of the pressure exerted by the guerrilla groups to resume negotiations with your government and the next?

[Gaviria] I understand very well it is risky to participate in politics in Colombia. I have experienced this and know what kind of difficulties and risks politicians must face. Fortunately, our political leaders defy those risks and challenges, and they travel to the 170 municipalities and.... [pauses] They are not 170, there could be more, much more.

The guerrilla groups have some kind of presence, whatever it may be, in 500 municipalities all over Colombia, practically half of Colombia's municipalities. Our political leaders defy that. They have always defied this, and they go there and take risks and get elected, and the political groups that somehow supported the guerrilla movement are noticeably rejected. They practically have no political presence whatsoever, because the people reject them.

Just as it has happened on so many occasions, I am sure the political leaders of this nation will face those risks, defeat violent groups, and let no one intimidate them despite the evident acts of guerrilla violence. Mayors have been killed; that is why we will resort to the Public Order Law to appoint military mayors, because we cannot continue to play the guerrilla groups' game. They kill mayors and society remains defenseless and simply replaces them with other mayors so they can kill them also, or so they can force the mayors to give in to their demands. No!

The public order law certified by the Attorney General's Office states clearly that mayors are being killed by guerrilla groups. There is clear evidence in this concern. We will have to resort to that instrument. We will use it in a Boyaca Department municipality and in a Casanare Department municipality.

We are determined to protect political leaders so that we may be able to state they face no risks. We hope.... [pauses] We are sure that will be the case, meaning, our leaders will face those risks. We will prove to the violent groups in our nation that our democracy and those who represent it, with the peoples' support, are more powerful then their dirty and violent weapons and their message of violence and hate.

Roundup of Economic Developments Through 17 Jan

PA1701213194

[Editorial Report] The following is a compilation of reports on Colombian economic developments monitored by Panama Bureau through 17 January; source follows in parentheses after each item.

The Treasury is easily losing nearly 1 trillion pesos in uncollected taxes per year due to contraband, which represents a little more than 25 percent of the country's total annual imports. Cigarettes are the leading contraband product. (Santa Fe de Bogota EL NUEVO SIGLO in Spanish 6 Jan 94 pp 1, 17)

Colombian exports increased only by 2 percent from January to September 1993, totaling $5.269 billion. A huge reduction in the export of coffee, oil, fuels, and other traditional products are to blame for the poor showing. A 13.5-percent increase in nontraditional exports saved the situation, keeping the export percentages from falling into the negative side. (Santa Fe de Bogota EL TIEMPO in Spanish 7 Jan 94 p 2b)

Colombia and the UK have made significant progress in negotiating an investment agreement. Foreign Minister Noemi Sanin has said she hopes the negotiations will conclude in two months; in addition, the Colombian foreign minister has signed a technical cooperation agreement to modernize the state. According to the agreement, the UK will contribute 130,000 pounds and Colombia will contribute 144 million pesos to a program that seeks to improve management in government institutions. (Santa Fe de Bogota EL TIEMPO in Spanish 12 Jan 94 p 7a)

The manufacturing industry grew by 5.69 percent from January to October 1993, according to the National Administrative Department of Statistics. The production of transportation equipment and material increased by 49.5 percent. (Santa Fe de Bogota EL TIEMPO in Spanish 12 Jan 94 p 6b)

* Survey Shows Industry Optimism on Economy

94SM0161A Santa Fe de Bogota EL TIEMPO in Spanish 11 Dec 93 pp 1-2B

[Text] The economic outlook for Colombian industry is improving. Business reports are favorable in terms of production activity, volume of orders, and inventory.

This is the picture drawn by the October opinion poll of employers conducted by the Education and Development Foundation (FEDESARROLLO).

In the survey of 360 enterprises in all areas of national production, emphasis was placed on the performance of exporters.

Despite the increase in the volume of goods shipped abroad, 33 percent of the firms reported that profits had dipped. This phenomenon is related to the revaluation of the rate of exchange because while exporting larger volumes of goods, business owners receive less for their sales.

Other negative factors for the export sector include the high cost of labor and domestic transport. The lack of an adequate infrastructure in terms of roads, ports, and airports hurts the ability of Colombian produdcts to penetrate foreign markets.

Cheap Credit

However, there are also positive factors that have helped exports. The increase in the volume of foreign sales is the result of the lowering of trade barriers by purchaser countries. One example is trade with Venezuela, a country which, thanks to the free trade agreement, has become the main buyer of our products after the United States.

Another factor that has benefited not only exporters but all business owners is more favorable terms for obtaining credit from the financial system due to the lower interest rates charged.

In fact, interest on loans has held steady at an average 35 percent annually, down from the 48-percent annual rate charged two years ago. Access to cheap credit gives businessmen a breather because they can now develop production at a lower financial cost.

Industry

Some 41 percent of the industrialists surveyed said the current economic situation is good, while 46 percent said it is acceptable, and 13 said it is poor.

For 33 percent of those interviewed, economic prospects for the next six months are favorable, while 59 percent think they will remain the same.

Only 9 percent said prospects will get worse. One of the reasons for the optimism of businessmen is apparently related to the fact that the government and monetary officials achieved their economic goals. They are sticking to the goal of a 22-percent increase in the cost of living and economic growth exceeding 4 percent.

Some 23 percent of those polled said the volume of orders had increased, while 55 percent reported that it had remained the same.

By sector, the economic situation was good for food, beverages, the print and publishing industry, earthenware, tile, chemical substances, rubber products, and electrical equipment and material. Cement and construction materials have shot up because of a boom in the sector.

The tobacco industry is depressed and all those polled said their current economic situation is negative. Textiles is another sector that continues to experience problems.

For the commercial sector, the economic situation in October was favorable, but less favorable than for industry. Some 32 percent of those polled said it was positive, while for 58 percent it was stable.

Nevertheless, prospects for the next six months look better for the commercial sector, which has been aided by the economic liberalization process and integration agreements.

* Health Minister on Social Security Reforms

94SM0152A Santa Fe de Bogota EL ESPECTADOR in Spanish 5 Dec 93 p 13A

[Interview with Minister of Health Juan Luis Londono by Gilda Sarmiento; place and date not given]

[Text] When the bang of the gavel marked final congressional passage of the Social Security reform bill, Health Minister Juan Luis Londono leaped in the air to show he was "happy as hell with life."

And this was no small achievement; the law culminates a year of work and provides for a reform that will, in his opinion, revolutionize a service that has been in the doldrums. It will also realize a constitutional dream of universality, solidarity, and efficiency.

Others, in contrast, believe it will pull the plug on health care. They say it is an immature effort at privatization with an excessively complicated and unintelligible text, in which each article is two pages long.

What no one doubts is that if the goal of giving every Colombian—including the 10 million who live in extreme poverty today—a whole package of health services is achieved over the next seven years, a veritable social revolution will have occurred.

To achieve this objective, health contributions in 1994 will rise from 7 percent to 12 percent, and of those funds, 1 percent will be earmarked for subsidizing the poorest of the population.

With a view to expanding coverage, 374 billion pesos in new resources is guaranteed in next year's budget, a social tax on weapons has been created, and beginning in 1997, 15 percent of the tax on Cusiana oilfield revenues will go to subsidize poor people's health care.

In addition, the budget for social investment in health will increase each year as a percentage of GDP.

It is true that such resources have never been allocated in the history of health care, but to leap from that to the notion that by the year 2000 [illegible] will be no difference between rich and poor would seem to be a revolution on paper, a mere utopia in the mind of Minister Juan Luis Londono, who defended the plan in an interview granted to EL ESPECTADOR. The striking thing about Colombia, he maintained, is that it spends less than it should on health care, but it is totally surprising that coverage under the system is so low. It is barely higher than that of Haiti and Bolivia. And ironically, when serious projections are made of how much good it would do to eliminate poverty, one of the principal difficulties is pessimism. This attitude is deeply rooted among intellectuals, who are very disparaging about the possibilities of social policy. "We have a discourse that attempts to persuade us that nothing ever changes in this country, and since nothing ever changes, it is not worth making an effort, because what the hell is social policy for?"

[Sarmiento] What is the real purpose of health care reform?

[Londono] The general purpose is to provide health care for all Colombians, because that is the main thing they lack today. Some 10 to 12 million Colombians have no health care, but there are 25 million who do not have Social Security.

[Sarmiento] But Colombia is too poor a country to guarantee health care for everyone from one year to the next.

[Londono] It is not from one year to the next. It is a gradual program. That is one of the obsessions people have had, thinking that overnight you can produce miracles. I call it the *totoya* theory: *todo para todos ya* [everything for everyone right now], which is a fundamentalist vision shared by some segments of society that are so desperate they have lost touch with reality. We have designed a plan so that over a period of 8 to 10 years, people will have that access. Why 8 to 10 years? Because that is how long it has taken in the most successful countries in the world: Costa Rica and Korea, which began their reform with per capita income figures not far from those of Colombia.

[Sarmiento] Where will the money come from?

[Londono] This is not just rhetoric. In the 1994 budget, the fiscal allocation, which is the contribution the nation makes to the departments in relation to what is allotted for health care, will rise by more than 50 percent. Not only will the departments receive more money, so will the municipalities. Altogether, they will receive 60 to 65 percent more. In addition, the Social Investment Fund (FIS) has been created, spending on the Colombian Family Welfare Institute (ICBF) will increase considerably, and the National Health System will receive 400 billion pesos in net new resources. Part of these funds will come from the 100 billion pesos derived from the reform of Social Security, which basically will come from the provision that all Colombians will pay to give the poor access to health care; that provision represents about 50 billion pesos, and the government and the municipalities will contribute a similar amount. If we combine them, that makes 400 billion pesos in new money for health care, something unprecedented in this country.

[Sarmiento] What was the greatest obstacle in the debate on the bill?

[Londono] The program basically was attacked from two flanks, by those who long for a single public monopoly, and by those who accuse us of being privatizers. The interesting thing in Colombia is that we have managed to create our own model, and it is a lie that we are privatizing. What are we going to do? Define a single health care plan that will be equal for everyone and that will gradually converge, because there is not enough money for *totoya*, and if people want to have it all, we have lost the battle at the outset.

[Sarmiento] What can a poor man and his family expect beginning in 1994?

[Londono] We cannot create false hopes. The reform will not give health care to the entire population as of 1 January next year. It is a program that requires the construction of a system: On the one hand, we must get the money; 400 billion pesos is a lot of money, and we need much more. What can they expect? We are generating a program so that the poorest people in the country and the families of those who have the ability to pay will move closer together right away, and in the not too distant future—eight years—they can be equals in a comprehensive plan, like the one that Social Security Institute (ISS) beneficiaries have today.

The reform will take full effect in May, so the principal goal, in terms of equity, is to give access to the system to a million poor families, the most downtrodden in the country, through subsidies in keeping with demand. We have 150 billion pesos that will enable us to reach a million families, to whom we will provide a health care plan amounting to 150,000 pesos per family per year. The rich people in this country may think that a pittance, but you have to understand that the poorest 10 percent of this country have annual family incomes of 600,000 pesos, and we are going to give that group a raise equivalent to 25 percent.

[Sarmiento] What guarantee is there that this reform will not become paralyzed under the new government?

[Londono] The reform has two advantages: It is very good, and it has been the product of a great effort at coordination.

[Sarmiento] Many think that you are excessively optimistic, and that the program is really not that good, that it was debated less than the pension program.

[Londono] They have the wrong impression. The problem is, pensions have sparked much more interest in the private sector and have drawn much more press coverage. Since the program I proposed was for the poor, a lot of people said what the heck, that does not matter to me, and there was this idea that it was not very important. Meanwhile, a process of consensus was created. I spent a year, during which 70 percent of my time was devoted to meeting with people. There has been an incredible degree of consensus; the problem is that I do not reach such consensuses in the press.

[Sarmiento] There are those who say that the next few years will be spent reforming the reform.

[Londono] I would hope that this process would have the same dynamic as the economic liberalization, which was very controversial three years ago, the focus of a lot of fear. Many groups pinned their hopes on reversing the liberalization process, and today they see that it is irreversible, that it has had some undeniable benefits, and that it may need some small adjustments.

[Sarmiento] Do you think this reform is ambitious, but it is a revolution on paper?

[Londono] No. I think that what makes the program interesting, and very different from other reforms that have been launched in the past, is that it has two conditions of viability: first, financial viability, because it is not demagogic; and secondly, political viability, in the sense that it is not a reform imposed by technical experts, but the product of a very broad democratic consensus. And in spite of everything, it is a very technical reform; it is consistent and comprehensively articulated.

* Moreno Said Using Office To Help Pastrana

* Commentary Faults Moreno

94SM0173A Santa Fe de Bogota EL TIEMPO in Spanish 12 Dec 93 p 5A

[Commentary by D'Artagnan: "Mischievous Luis Alberto"]

[Text] It is difficult to find anyone who generates more admiring comments than Luis Alberto Moreno, not just because of his professional competency, but mainly because of his human qualities.

As a friend, Moreno is one of those persons who will go to any lengths when he sees that someone close to him is having a hard time of it or is faced with some problem. I am in a position to say this because I have been a beneficiary of his advice and generosity, because his family and mine are joined by old bonds of friendship, and because, independently of his intelligence—and that thing they call creative genius, which in his case is a perfect definition of his way of being and of bonding—he is, in essence, what Machado called a man, in the best sense of the word. Such is the well-deserved fame that Moreno enjoys with nearly everyone.

Furthermore, his intimate relationship with Andres Pastrana is unconcealable. It is a relationship that presumably began when the two were teenagers, but which undoubtedly grew stronger when they began to work together, first as journalists, then on "TV Today," with Andres as the announcer and director and Luis Alberto the manager, a successful team effort. We later saw that Moreno's cooperation was vital to Pastrana's candidacy for mayor of Bogota. Few could have imagined that, as a political adviser and the planner of innovative campaign strategies, this tiny man—but a man gifted with great soul and a superior mind able to intuit where and how the adversary might respond—could indeed have such talent for advising. This without mentioning that the advisee would follow every recommendation he would make to the letter.

It is because of Luis Alberto's happy-go-lucky nature that he has many friends inside and outside of this government in which he plays such an active part as minister of development, replacing Jorge Ospina Sardi.

However, it is precisely this factor that forces me to write the following, albeit with a number of cordial reservations, not about Moreno's performance as an official, but rather, concerning his unbounded—and now blatant—pro-Pastranism in his capacity as minister. Theoretically, it would all be acceptable, insofar as Andres claims that he is not a candidate and, consequently, that Moreno cannot head his campaign. However, we all know that this tactic is as shrewd as it is artful and that Andres could just as easily be a presidential candidate in a month as Luis Alberto could be his campaign director and most trustworthy alter ego.

I am not saying that the minister of development is "shaking down" or blackmailing industrialists by saying that if they do not vote for Pastrana or start filling his coffers, they will not have the sympathetic ear of the business sector's representative in the Executive Branch, which is, to a certain extent, the role that a good Development Ministry should play. However, it remains to be seen how committed or uncommitted those same businessmen feel—politically and economically—toward the man who functions as their spokesman in government. Indeed, it is obvious that Moreno has never missed an opportunity to "campaign" for Andres and that more than a few institutions overseen by his ministry have become abnormally pro-Pastrana, as in the case of the Tourism Corporation and the Office of Superintendent of Companies. To draw a valid contrast, no such thing has occurred with the other Cabinet ministers, who have respected strict official impartiality. Finally, from his current office, Moreno is and will continue to be—for as long as he serves as minister—the confidant of Andres, who, even if he has never formally declared it, is for all practical purposes a presidential candidate.

The straw that broke the camel's back is the report—which, if true, would be extremely serious—that as minister of development, Moreno accompanied Pastrana on his recent trip to Venezuela and was present during the hour-and-a-half-long meeting they had with President Ramon J. Velasquez, a meeting arranged by Moreno at Pastrana's request. What if any one of the Liberal precandidates had done likewise as the result of our minister of government's arrangements, for example? Would that minister not have been condemned—immediately—for openly meddling in politics and for an absolute lack of neutrality in his actions, as an employee (and not just any) of the administration?

So close to elections, it would be as awkward as it would be useless to claim that Moreno should drop his pro-Pastrana stance overnight, but I do not think it would be far-fetched or bold—much less unjust—to ask him to cease being a Pastrana activist while he holds an official post that undeniably grants him powers and prerogatives he would most certainly lack without that Cabinet post. It is one that unquestionably complicates things in terms of guarantees, all the more so when certain political observers do not understand the systematic ambiguity of Pastranism that is so deeply embedded in a Liberal regime, on the one hand, while at the same time being critical, highly critical, of that same regime in various ways (witness LA PRENSA's repeated tirades). The same observers understand even less the latent accusation that, from the very center of power, support for Andres is subtly drummed up and in the form of actions which, like the one reported, are so difficult to cover up or deny.

* Samper Campaign Reacts

94SM0173B Santa Fe de Bogota EL ESPECTADOR in Spanish 16 Dec 93 p 5A

[Article: "Pastrana Takes Up Defense of Development Minister"]

[Excerpt] Andres Pastrana Arango, head of the New Democratic Force, came out in defense of Development Minister Luis Alberto Moreno yesterday, stating that that official had not improperly intervened in politics.

Breaking his silence, Liberal precandidate Ernesto Samper told this daily newspaper that only the Attorney General's Office and the nation's president can judge Moreno's conduct.

"The proper persons to assess the conduct of Minister Luis Alberto Moreno, who, along with Conservative candidate Andres Pastrana, met with Presidents Rafael Caldera and Ramon J. Velasquez in Caracas, are the attorney general and the president, rather than the very Conservative candidate who accompanied Minister Moreno on his trip to Venezuela," Samper said.

Although Pastrana claimed yesterday that he did not know whether Moreno's trip to Caracas had been officially authorized by President Gaviria, he did say that simply speaking with a chief of state or president-elect does not constitute improper meddling in politics. He also denied that the fact that Moreno has invited him to a number of public meetings constitutes active campaigning for his presidential candidacy.

Pastrana answered reporters' questions at the conclusion of a meeting with members of the Conservative National Leadership who paid him a visit at his political headquarters.

Despite Pastrana's reply, the Samper campaign, via spokesman Marco Julio Gutierrez, continued its accusations of partiality on the part of the minister of development and added more photographic evidence to the petition submitted to the Office of Attorney General seeking Moreno's removal. At a meeting of deputies, members of the Samper bench concluded that the government should address the issue of the minister's work in Pastrana's behalf. [passage omitted]

Paraguay

President Wasmosy Returns From Mercosur Summit

PY1801012794 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 2300 GMT 17 Jan 94

[Excerpts] We now have the president's return from the Mercosur [Common Market of the South] summit in Colonia, Uruguay. Jose Rojas is now at Silvio Pettirossi International Airport.

[Begin live report] [Jose Rojas] Thank you Benito. At this precise moment President Juan Carlos Wasmosy now is stepping off the plane and is being met by Vice President Angel Roberto Seifart, who was acting president while the president was out of the country. [passage omitted]

We will see if we can reach the place where the president will give his news conference. [passage omitted]

[Wasmosy] Very well, I believe that before you ask your questions it would be better if we inform you of everything. I would like to answer your questions, but before I do I would like you to listen to the reports of Foreign Minister [Luis Maria Ramirez Boettner] and Finance Minister [Crispiniano Sandoval] about the meetings that we had, and afterward I will answer your questions in case you have any doubts or on anything that may not have been clear.

[Rojas] We are in direct contact with the studio, and I beg your pardon Mr. President, this will be my last question. Were you happy with everything that was discussed.

[Wasmosy] Well, it was a meeting in which I participated for the first time as president and I am an engineer by profession and very pragmatic. I made known Paraguay's position in a very clear and categorical manner in that if macroeconomic policies cannot be coordinated, if there is not agreement and equilibrium in the discussions, then we must try and get each country to expound its internal problems while trying to understand, with solidarity, the problems of the other countries.

[Rojas] How was your proposal received?

[Wasmosy] Very well. My address was the only one that really touched on the key points of that meeting. And I believe that during these meetings we must discuss the real problems affecting the integration treaty and not just give a lyrical address.

[Rojas] Is it true that Mercosur's timetable is going to be delayed?

[Wasmosy] The foreign minister will explain that.

[Rojas] We now return to the studio to continue with the newscast and we will expand this information in other newscasts. Thank you and we return to the studio. [end live report]

Peru

Fujimori: Sabotage Not Ruled Out in Helicopter Crash

PA1401193894 Lima Global de Television Network in Spanish 0100 GMT 14 Jan 94

[From the "Global TV News" newscast]

[Text] After expressing his sympathies to relatives of the victims of the helicopter crash, President Fujimori said no possibilities can be rejected in cases of this sort and would not rule out sabotage as the cause of the accident. Fujimori added that his government will not reconsider the sanctions imposed on Chilean MRTA [Tupac Amaru Revolutionary Movement] members.

[Begin recording] [Fujimori] I reject the report saying that the helicopter crash was caused by a fuel shortage or poor maintenance. Accidents of this sort happen by chance and are regrettable. They must be investigated in a strictly technical manner. The Air Force has appointed an investigative commission to investigate the accident. The reasons for the crash helicopter must be clearly outlined, because according to the control tower, the helicopter was landing as usual with no problems.

[Unidentified reporter] Is it possible to investigate the reasons for a possible sabotage of this helicopter?

[Fujimori] No possibilities can or should be ruled out. I had even planned to fly to Cuzco before going to Arequipa. I flew with the crew of that helicopter a week ago and everything was normal. I think this was a rather unexpected event. The investigations must be thorough to eliminate all possibilities other than technical or circumstantial reasons.

Regarding the Chilean MRTA members, they did not perpetrate these hideous crimes in Chile but in Peru, and they have been sentenced to life imprisonment. I reiterate: I will not reverse my position. They have been tried according to antiterrorist laws. The Peruvian position on this is clear: Peru has a right to peace.

[Reporter] Will the sentences be reconsidered?

[Fujimori] Not at all. [end recording]

Drug Trafficker's Capture Compared to Guzman's

PA1501031094 Lima Radio Programas del Peru Network in Spanish 1800 GMT 14 Jan 94

[From the "Newspaper of the Airwaves, Second Edition" newscast]

[Text] President Alberto Fujimori has announced that drug trafficker Demetrio Chavez Penaherrera, also known as El Vaticano, will receive a life sentence. The president said that the drug trafficker, who was deported from Colombia, was one of the leading drug traffickers in Alto Huallaga and his capture is comparable to Abimael Guzman's.

[Begin recording] [Fujimori] Chavez Penaherrera moved approximately 30 tons of drugs monthly and had his own airport in Campanilla. Every month he made approximately 40 flights and collected a total of $30 million. He was the main cocaine supplier for the Cali Cartel, which, in turn, exported almost 90 percent of that cocaine to the (?United States). In short, this has truly been a harsh blow to the drug trade.

[Unidentified reporter] What sentence will he get?

[Fujimori] We have passed very timely legislation on drug trafficking. Now we can give El Vaticano the maximum sentence: life in prison. There can be no doubt of that. I believe that for narcoterrorism, El Vaticano's capture is comparable to that of Abimael Guzman.

[Reporter] [question indistinct]

[Fujimori] I repeat, two. (?Lacalinia and Caloveda) are brothers who have already been captured. There is an entire network of people who are involved and they have either been captured or are being investigated. This capture constitutes a terrible setback for narcoterrorism. [end recording]

This is what President Fujimori said at the closing of the academic year at the National Fine Arts School. The president announced that a new fine arts institute is going to be built.

State of Emergency Extended in Provinces

PA1501190694 Paris AFP in Spanish 1829 GMT 15 Jan 94

[Text] Lima, 15 Jan (AFP)—It was officially reported today that the Peruvian Government extended the state of emergency for 60 days beginning today in various provinces in six departments to "facilitate military operations against terrorism and drug trafficking."

The special measure, which is published in the official gazette EL PERUANO, covers several provinces of the Departments of Lima, Callao, Ancash (Andean northeast), Ucayali, Huanuco (central jungle), and Loreto (eastern Amazon). The corresponding decrees establish the suspension of constitutional rights and indicate that the Armed Forces will continue to maintain control over the previously mentioned areas.

Since the beginning of the "fratricidal war" in Ayacucho in 1980, more than 60 percent of the country has been under a state of emergency. According to official figures, the conflict has killed more than 26,000 people and caused more than $24 billion in economic damage, which is equivalent to the country's foreign debt.

Fujimori on 1993 Achievements, Plans for 1994

PA1501193594

[Editorial Report] Lima Radio Programas del Peru Network in Spanish at 1400 GMT on 8 January broadcasts a three-hour panel discussion during the "Saturday Focus" program hosted by Denis Vargas with the participation of President Alberto Fujimori and panel members Richard Bauer, president of the National Association of Foreign Correspondents; Arturo Salazar Larrain and Ismael Leon from LA REPUBLICA; and Augusto Alvarez Rodrich, chief editor of Apoyo Company publications.

Vargas begins the program by reminding the president that it is traditional for the executive to give every new year a name. Fujimori says he does not think the year should be given the name of a historical figure but that it should reflect the country's goals and objectives. He remarks: "I think that in the short and medium term, our children must be better prepared; therefore, education and sports are the main themes of the year. Although this has not been approved by the Council of Ministers, I would like to go ahead and call it the Year of Education Modernization and Sports. We will continue this campaign to modernize our education system and to sponsor sports. For example, we will build coliseums and stadiums nationwide"

Vargas goes on to say that because 1994 will be the year of education modernization, it is understood that the main reforms will be in that field. Vargas notes: "It has been said that the directors of state schools will be rigorously evaluated. Those who are good will remain, those who are not prepared will be dismissed." President Fujimori responds that the evaluations do not mean that the directors will have to take exams but that they will have to show results. Fujimori comments that this evaluation will give the directors stability for five years, but appointments cannot be indefinite as if the directors were judges. Fujimori notes that although the community will be in charge of the school administration, that does not translate into privatization of education because the state will continue to provide funding.

Bauer asks when the first school will be turned over to local administration. Fujimori replies that the pilot plan will be implemented in Arequipa, where a chain of eight schools have already been built with 10 more to be completed. "The state will not eliminate subsidies. On the contrary, it will increase these subsidies." Fujimori adds that free education will now be offered in modern buildings rather than in straw huts.

Changing the subject, Bauer asks President Fujimori for his assessment of the continued violence following the arrest of Abimael Guzman. Fujimori responds that it is a fact that the level of violence has gone down. "Shining Path no longer has its previous organizational capacity." Fujimori notes that there are still some fanatics whom he intends to capture or eliminate.

Bauer asks if there is any truth to rumors that the government is exporting repentant terrorists to other nations with new identities. Fujimori laughs and responds: "Well, concerning trade in terrorists, I would say that we have had imports rather than exports from some developed nations, which in turn have protected those people." Fujimori adds that there have been more cases of repentant terrorist and that these have been presented to the media.

Vargas asks if terrorist leaders will receive death sentences now that the new Constitution is in force. Fujimori answers that such sentences must be in line with international treaties and follow certain steps. "In the coming years, I do not think it will be necessary to apply the death sentence because I am sure we will achieve peace in the nation."

Commenting on human rights, President Fujimori insists that it is necessary to defend the human rights not only of terrorists but of civilians, the human and social rights Peru's 22 million inhabitants. He concludes that Peru is entitled to live in peace, to give life sentences to terrorists, and to correct its mistakes.

In response to a question from Augusto Alvarez concerning the scope of the concerted effort proposed by Democratic Constituent Congress, CCD, President Jaime Yoshiyama, Fujimori says that "consensus comes through proposals. Yoshiyama's proposal purports to resolve the country's problems through truly technical rather than political mechanisms or methodology."

Fujimori said the invitation extended by Engineer Yoshiyama to various organizations has been very timely because those organizations will be able to set forth proposals free of partisan and ideological influence and will therefore be more widely accepted by the people.

Having been put in contact with several Latin American reporters via satellite, President Fujimori takes a question from Eduardo Lozano of Colombia's Radio Cadena Nacional. Lozano asks President Fujimori what qualities the Peruvian people see in Colombian President Cesar Gaviria to make him worthy of being OAS secretary general, to which Fujimori responds: "I have seen President Cesar Gaviria in action at various international forums, where he has proven himself to be a true statesman with a spirit of integration. He has also displayed the ability to analyze situations and make decisions, an attribute which I believe is necessary for the secretaryship. Moreover, I am a personal friend of President Gaviria, and he has Peru's total support. We are among his promoters."

The topic of the interview changes when Elsy Barroeta from Caracas Radio Caracas Television Network asks President Fujimori about the presence in Peru of the Venezuelan coupist military officers and the efforts made by the two governments to achieve the officers' return to Venezuela. Fujimori responds that there have been contacts at the Foreign Ministry level, but Venezuela wants to prosecute these officers, so some of them are unwilling to return under those conditions.

Barroeta then asks Fujimori what kind of relations he expects between Peru and Venezuela after Rafael Caldera takes office and what personal relations between he and Caldera will be like. Fujimori says: "I do not have the slightest doubt that we will continue to strengthen the ties between our two countries and that we will continue working to make integration a reality. I have already spoken personally with President Caldera, he said, and I wish him the greatest success in office so Venezuela can progress."

Jorge Melo of Radio Quito then asks president Fujimori whether the visit Ecuadoran President Sixto Duran-Ballen will make to Peru is official and if the border conflict will be included in the agenda. Fujimori responds: "Of course his visit is official, as was my first visit to Quito, of which I have very fond memories. Every time someone mentions Quito to me, I become emotional. However, this visit is to strengthen the friendship between our two countries. Instead of discussing border conflicts, we will discuss integration as we did during my first visit to Ecuador in January 1992."

Program host Dennis Vargas then brings up the issue of expectation among Latin Americans, especially in the Andean region, concerning Peru's exact position on integration and the Cartagena Agreement. Why has Peru decided to distance itself from integration until March or April?

Fujimori responds with two reasons, the first of which is tariffs. Peru, he says, has a flat [previous word in English] 15-percent tariff on consumer or capital goods, while other countries' tariffs vary from 0 to 30 percent, which undermines Peru's competitiveness. The other reason is subsidies, which have been eliminated in Peru.

Vargas insists on the issue, saying that integration is happening through blocs and that Peru is absent from Latin America's first integration bloc, the Cartagena Agreement. He asks President Fujimori: Do you agree with people who say it is impossible to enter the big NAFTA market without being in a group, which even the U.S. Government has admitted? What policy will Peru adopt on NAFTA?

President Fujimori answers that at some point Peru will have to rejoin the Cartagena Agreement. He says that for the past three years the country has developed very rapidly in order to be able to join other markets by creating competition through the reduction of protectionist measures. We are working, Fujimori said, for an open economy, which is essential if we are to join any free market.

The host concludes Peru's participation in the satellite linkup with a question concerning the struggle against drug trafficking in Peru, Colombia, and Bolivia. He asks President Fujimori what Peru's strategy will be with the new administration in the United States, which consumes almost 80 percent of the drugs produced worldwide, to which Fujimori responds: "I think we must continue communicating on realistic terms, which is what the Peruvian Government has always done, and we must acknowledge that the previous strategy did not work, that it was a true failure, and that effective measures must be adopted before it is too late." Fujimori goes on to explain that Peru produces coca, not heroin, and that the government will implement very drastic measures whereby penal and civil sanctions will be imposed on individuals who produce poppies. These measures will include the seizure of properties and prison sentences, and there will be no lenience whatsoever.

Dennis Vargas Marin asks President Fujimori to comment on the situation in Chiapas State, Mexico and whether he believes there is any connection between the Zapatista National Liberation Army, EZLN, and the Shinning Path or other guerrilla groups. Fujimori then says he hopes there is no ideological relationship between the EZLN rebels and terrorist groups, even though it is known that some Tupac Amaru Revolutionary Movement terrorists have gone to Mexico.

Fujimori says he thinks the Chiapas affair is "a rebellion in a poor area headed by—I suppose—leftist intellectuals, socialists, who mean to say: You see, the market system does not work. It is something like that. However, I do not believe a rebellion like the one in Chiapas State has the characteristics of a terrorist movement."

Augusto Alvarez Rodrich then asks President Fujimori about the lessons learned from the referendum on the constitutional reforms. Fujimori answers that he has received a message. The message is that the people are not against the reform but that they want adjustments to those reforms.

Alvarez then asks the president if he believes the referendum results mean that he no longer represents the spirit of renewal that the people want. Fujimori replies that there has indeed been a rebellion of the citizenry and society at the ballot boxes, but that he "still represents the rebellion against the political system that has taken place here in Peru." He adds that the desire for renewal continues, but that the government has not been weakened. He states: "It had been said that the honeymoon was only going to last nine months or a year. Instead, there is popular support. All modesty aside, I think I continue to represent this need for change in the country."

Alvarez asks whether the visits to the departments and provinces are part of a strategy to drum up support after the referendum. Fujimori answers that it is only a continuation of his original policy and that he is trying to provide the people with more information on educational and government programs "to disprove the disinformation that the government is privatizing education, eliminating free schooling, and taking land away from the peasants."

In response to several short comments and questions from Alvarez, Fujimori compares the country's situation in 1992 to that in 1993 and points out the improvements and advances in the economy, the pacification process, and the privatization process. Regarding the privatization process, he says that State enterprises are now worth 10 times more than what they were worth in 1992.

Arturo Salazar Larrain asks whether the situation for Peruvians will improve and if people's budgets are in the red even though the fiscal year has ended with a positive balance. He says that taxes are going up while salaries have stagnated. Salazar adds that it is not fair that the budget for defense is five times greater than the health budget.

Fujimori responds by saying that taxes for the poor have gone down. He says that except for one socioeconomic level, everyone is paying a little less. The president cites the elimination of the tax on business assets and says he hopes this measure will bolster economic reactivation. He then adds that the government has also eliminated the minimum income tax.

Salazar says the national budget increased enormously between 1991 and 1993. It was $3.617 billion in 1991, $4.885 billion in 1992, to $5.434 billion in 1993. He then asks: How are those resources distributed and where do they come from?

President Fujimori answers: "Right now they are coming from people who pay high taxes, and that is precisely what allows us to provide greater social attention. I agree with you that fiscal funds are in the black and the majority of people's pockets are in the red. But that is the part we are still inheriting. We are fixing many things. I ask: Is there an alternative? I wish the economists would give me alternatives. Tell me there was a better alternative to the dealings with the Paris Club. If they would give me the numbers, I could debate it even though I am not an economist. Things are being handled very seriously. Our country was in a crisis with hyperinflation, but we are overcoming the situation."

Regarding a comment from Salazar on the difference between the budgets for health and defense, Fujimori goes on to outline the changes in the military budget that will be in accordance with the advances in the pacification, saying that the number of troops and policemen will not be increased.

Ismael Leon tries to pin Fujimori down on the poor referendum results by suggesting that he, Fujimori, should not try to explain it by saying that "50 percent of the people have been deceived." Leon says the president should look at it from a different point of view: "There is unemployment, health care problems, school truancy, and in many ways, there is less democracy." Leon says that when Fujimori speaks of "taking resources to the regions," he is speaking in paternalistic terms. Leon asks what has been done with the funds earned from the sale of public enterprises. He says he has a letter from Constituent Assemblyman Dr. Antero Flores Araoz, who was unable to obtain that information from the government.

Fujimori asks Dennis Vargas for a 30-minute program to debate each of Leon's points, then he reminds Alvarez of the fact that the media is respected and allowed full freedom. In reply to Leon, Fujimori says that in many provinces he visited, there were widespread misconceptions about what the referendum really meant, including the belief that capital punishment would bring about a bloodbath. The president justifies taking resources to the area and used improvements to the Cuzco airport as an example. He says that a Korean credit has allowed eight tourists flights a day. "Public enterprises have been sold under the best conditions, and I challenge anyone to identify one that has not been properly sold." Fujimori tells Leon to examine the public budget to see where the money has gone. He says: "Look at the social expenditures, go to the poor neighborhoods where the privatization funds have been invested." He adds that there is a list specifying how the funds have been invested.

Alvarez goes directly to the point and asks: "Why not admit there is a problem. I do not think the funds are being improperly used." He says that if Fujimori gave a better explanation of how the funds were used, there would be greater acceptance.

Fujimori answers by saying that he is surprised that an economist of Alvarez' stature is apparently unaware that all revenues go into a common treasury fund, thus individual government projects cannot be attributed to specific sales of government enterprises.

Ismael Leon asks Fujimori what made him change his mind, albeit for the better, on such things as his initial refusal to privatize certain basic public services, including ports, postal services, and telecommunications. Fujimori half jokingly refers to a book called CITIZEN FUJIMORI [Ciudadano Fujimori], which describes him as pragmatic. He admits that he rejected such privatization on 3 June 1990, and by 6 July 1992 he had changed his mind. Fujimori recalls saying that "public enterprises do not work—probably on Radio Programas—and that they have incurred a $2.5 billion deficit" despite the fact that "every possible effort was made to prop them up." He adds: "We are looking for democracy. People want privatization, thus the change. We need not be stubborn."

Replying to Ismael Leon's question on telecommunication monopolies, Fujimori says that this is sometimes unavoidable in communications and electric enterprises and adds that the telephone system should serve not only Lima and the surrounding area but the entire country. Fujimori adds: "I know that Mr. Genaro Delgado Parker has interests in communications systems, but I do not defend anyone's interest. I want things to be clear." The topic continues with a discussion about the lack of telephone lines, with Lima alone requiring 160,000 new lines and needing large investments. Fujimori adds: "We have 2.6 telephones for every 100 inhabitants. Do you know how we rank among Latin American countries? Next to the last; the last country is Haiti." Fujimori suggests to Dennis Vargas that a technical debate be held on this topic alone.

The topic then shifts when Vargas asks Fujimori if there will be a reduction in the Army and if the Army Technical School will close. Fujimori denies that the school will be closed and says defense and education expenditures will remain the same with no reductions except "a minimum reduction in recruitment." Fujimori says there will be training changes for the new recruits and uses the "example that those learning to operate tanks will now know how to operate heavy equipment. Those who drive trucks will leave the service with a certificate for commercial trucks." Fujimori explains that the new Armed Forces for peace should become "a great professional technical training center in addition to instilling patriotism, order, and discipline in many youths who need it." Fujimori adds that he "does not intend to purchase Mirage fighter jets, tanks, or missiles. It is a reduction and rationalization of expenditures."

Fujimori explains that expenditures are being cut and made more economical. He notes that Peru "has approximately 100,000 policemen. That is enough. Better yet, it is too many for Peru." The president reports that there will be no more police recruiting.

A panelist asks Fujimori about unjustified arrests, and he replies that government attorneys are investigating such cases but that everyone must be patient. He admits: "There are some cases that have yet to be corrected, but sometimes mistakes are made in the struggle against terrorism. I ask you: What country has not make any mistakes? Tell me if no mistakes were made in Vietnam, Algeria, and in many other places." He states: "We cannot let isolated cases make us forget the situation that existed in Peru." Referring to the remodeled Castro Castro Prison, Fujimori says it looks like a five-star hotel: "We are enforcing respect for human rights as much as we can."

Asked about communications with Abimael Guzman, Fujimori explains: "Contacts continue. Of course in recent days we have said that there have been attacks and that there should be some control mechanisms. Otherwise the entire process could lead to stagnation. I hope we are successful."

One panelist asks Fujimori why he shook hands with Cox Beuzeville and not the other alleged criminals. The Peruvian president explains: "I cannot shake hands with 3,000 terrorists. I greeted him because we happened to meet, and courtesy is always foremost. In the case of Guzman's letter, there have been notable effects. The desertions in Sol de Oro, Ayacucho, occurred because of the information about the surrender of Abimael Guzman. There have been mass desertions like never before. In the past, only one or two isolated Shining Path members deserted. There were always many desertions from the Tupac Amaru Revolutionary Movement, but the Shining Path desertions began with these letters."

Fujimori later explains that he is president of all Peruvians and is therefore uninterested in party organizations. "Parties have not worked out in many Latin American countries, and that is why democracy is being questioned and why some want more Chinese [Fujimori calls himself El Chino, the Chinese] in Latin American countries."

A panelist asks: "How can a president feel safe without a political party supporting him. Do you only trust the people and the Army?"

Fujimori explains: "I feel safe with results, with the support of the common people, but I defend myself from power groups that try to undermine my position. Democracy is built with the people, by supporting the people. Democracy is not edible. Please visit Pamplona and ask the people there about democracy.

Alvarez tells Fujimori that he is going to close the interview with a personal question. He tells Fujimori that he was aggressive throughout the interview and that he has aged. Alvarez then asks: "How have these four years changed you? Tell me!"

Fujimori laughs and retorts: "I will answer you. I said earlier that old people are meeting here. If you look at yourself in the mirror, you will find that you also have changed in the past three years, Alvarez, and your criticism has failed quite often. I regret that I was aggressive. I had not realized that. I wanted to engage in a specific debate. When somebody tells me that things are not functioning in the Armed Forces—I suppose this is where I am aggressive—I could jump all the way to the roof. If there had not been a television camera here, I could have pounded on...[pauses] not on Dennis but on the table!"

Vargas closes the interview by asking: "When will you begin your 1995 campaign, Mr. President, and how long before then do you plan to resign from the presidency so Congress President Jaime Yoshiyama can replace you in the government palace?"

Fujimori responds: "I don't know. I haven't thought about it. I don't have an answer now. Invite me to another program."

Mayors Create Common Front Against Cuts in Revenues

PA1601042094 Madrid EFE in Spanish 1624 GMT 14 Jan 94

[Text] Lima, 14 Jan (EFE)—Peru's principal mayors have created a common front against President Alberto Fujimori's administration due to its decision to make big cuts in their municipal fiscal revenues.

What seemed to be only a "skirmish" between Fujimori and Lima Mayor Ricardo Belmont could become a major "war" which could even end up in court.

Belmont received on 13 January the support of Cusco Mayor Daniel Estrada, who asked him to coordinate with other affected mayors "a common strategy to force back autocracy and arbitrariness."

Socialist Alfonso Barrantes, former Lima mayor, has joined them and said that he is willing to work in "any position assigned to me to defend municipal laws."

Belmont was unusually tough and has accused the government of "harming Lima more than terrorism does." He added that "more works have been interrupted than those we implemented in one year due to budget cuts. It is as though The Trebol (the biggest cloverleaf in Lima) was dynamited."

The possibility that this conflict will reach the courts has even been left open, because the Popular Action Party (AP) has decided that its mayors will file an amparo against the law that cuts municipal revenues.

Arturo Castillo, Association of Peruvian Municipalities (AMPE) president and Chiclayo mayor, is among the AP mayors.

President Fujimori refused, meanwhile, to change his mind about his governmental decision and underscored that the government has not cut municipal revenues, rather, "has distributed them more equitably."

He added that "what we did was channel more funds to poorer municipalities, which will then be able to carry out more works to benefit their peoples." He added that the municipalities whose revenues were cut "can get more funds from other sources because they control the regions that are richest in resources."

Certain experts believe that Fujimori is playing a political game to thwart the presidential ambitions of both Belmont and Estrada, because they will be unable to deliver the works they promised and that they planned to use in their campaigns.

The presidential elections will be held in May 1995. This is why 1994 is considered an "electorally decisive" year for politicians with governmental ambitions.

Fujimori has yet to decide if he will run for reelection next year. Many believe, however, that he is at least trying to ensure that his eventual candidacy will have the best chance of succeeding.

Mayors View Government Change in Municipal Tax System

PA1601235894

[Editorial Report] Lima Radio Programas del Peru Network in Spanish at 1400 GMT on 15 January broadcasts live its 60-minute "Saturday Focus" program hosted by Dennis Vargas Marin. Vargas begins by discussing the government's decision to change the municipal tax system. This is a controversial decision, he says, and mayors have reacted strongly against cuts in its revenues. Vargas adds that Finance Minister Jorge Camet has supported the decision of President Fujimori, who said that he will prove that municipalities will indeed receive more funds.

His guests include Lima Mayor Ricardo Belmont; Enrique Espinosa, Metropolitan Institute of Planning president; Enrique Labarte, municipal economic adviser and assemblyman; and Arturo Castillo, Chiclayo mayor and Association of Peruvian Municipalities president.

Belmont says this hasty decision does not surprise him. A similar situation, he adds, happened when Democratic Constituent Congress President Jaime Yoshiyama urged Peruvians to vote for the new Constitution in the referendum regardless of whether they had read it.

Vargas asks Belmont what he did when he learned that President Fujimori was about to make this decision. Belmont says that he protested sternly. He details the works his administration has accomplished so far. Labarte quotes a congressman who said that municipalities will get more funds, except Lima, whose revenues will be redistributed.

LA REPUBLICA reporter Ismael Leon asks Belmont what he thinks about certain mayors' decision to support the redistribution of funds from rich municipalities, such as Lima, to poorer municipalities. Belmont says that he has been unable to meet with President Fujimori to discuss this issue and that it is a shame that the president refuses to let anyone do anything good. Belmont lists the major achievements of his administration.

Vargas asks how this decision will affect Lima in 1994. Belmont says that many projects will not be built, that many jobs will disappear, and that prices will go up. He compares this situation to being in a boxing ring with tied hands.

Vargas asks if other mayors agree with Belmont's viewpoints. Mayor Castillo says he does, and Chiclayo will also be affected by cuts in municipal revenues, he says.

Belmont says "Peru is suffering from divisions." He adds that congressmen should visit Chiclayo, Puno, and other poor municipalities to learn firsthand of their realities. Vargas agrees with him. Belmont adds that he has visited Huaycan, a poor neighborhood. He says he has performed many works, but the media have not been invited to the openings or covered such events. Belmont says Peru is a whole nation, but "Lima is not responsible for the lack of development elsewhere in the country and for governmental mistakes." Lima has many problems too, he adds.

Reporter Leon wonders whether municipal governments are more important than regional governments. Castillo says he believes that the two governments are necessary to decentralize the administration.

Vargas cites Economy Minister Camet, who has said provincial governments have kept all the funds instead of distributing them among municipalities. Castillo replies that this is a big lie. Vargas also wonders if this issue is being politicized, and Belmont insists it is. He adds that President Fujimori is polarizing Peruvians, saying, he is "playing political games."

Belmont concludes that the new Constitution will let Fujimori stay in power for many years, because he will seek reelection, but Castillo says he harbors doubts about this possibility.

Fujimori Expects U.S. To Fulfill Pledge to Support Group

PA1701023594 Madrid EFE in Spanish 1822 GMT 16 Jan 94

[Text] Lima, 16 Jan (EFE)—Peruvian President Alberto Fujimori said today he expects the United States to fulfill the pledge it has made to Peru and pay the $105-million contribution it has pledged to pay as a member of the Support Group.

Fujimori added that he expects "specific results" from the United States during the trip that Alexander Watson, assistant secretary of state for Latin America, will make to Peru starting on 18 January.

In statements to the Lima newspaper "EXPRESO," The Peruvian president said the United States should display "reciprocity" toward Peru, which, he said, has fulfilled the requirements and has earned the right to economic support from the friendly countries that form the Support Group.

The U.S. contribution of $105 million, which was intended, along with contributions from five other nations, for the recovery of Peru's balance of payments, has not been disbursed due to pressure from the U.S. Senate, which believes the human rights situation in Peru is not the best.

Jorge Camet, Peruvian economy and finance minister, confirmed recently this circumstance and said the Senate's pressures are the result of its "being inadequately informed" about the human rights issue in Peru.

Fujimori said during the interview that although the United States has supported the process whereby Peru was reincorporated into the international financial system—from which it had been distanced for seven years by the government of former President Alan Garcia—it has "not given the money."

Fujimori added that Peru is asking the United States to fulfill its pledge to the Support Group.

The president argued that his country has progressed "much more than was expected" in the democratization process, has normalized its delayed payments to the international financial organizations, and has resolved problems such as the payment of a debt contracted by the previous government's nationalization of the U.S. "Belco" Oil Company.

"I expect specific results. There is no time to continue meditating about this," Fujimori said during his interview with "EXPRESO" concerning Watson's forthcoming official visit and the issues he will discuss with the U.S. official.

Various political, legislative, and diplomatic sectors believe that such issues as human rights, drug trafficking, and the U.S. contribution to the Support Group are the leading issues on Watson's agenda. Watson was ambassador to Peru from 1986 to 1989.

Fujimori referred to a recent incident between Peruvian Justice Minister Fernando Vega and a commission formed by the U.S. State Department and Congress that was in charge of evaluating the administration of justice in Peru.

Vega had refused to meet with the commission members, because he felt the expressions used in a letter sent by U.S. Charge d'Affaires Charles Brayshaw to request the meeting in question were "unacceptable."

The Peruvian president justified and supported the justice minister's position. "A sovereign country cannot accept the terms expressed in the letter," Fujimori told the newspaper.

Fujimori said later that the incident does not imply that Lima and Washington "are on bad terms" and that "on the contrary, there are signs of improvement."

Various sources have said the case of the kidnapping and murder of nine students and one instructor from the Teachers College of Lima, presumably perpetrated by Army members on 18 July 1992, and the excesses perpetrated by the judicial administration during the trials of individuals accused of terrorism are worrisome issues for the U.S. Administration.

Fujimori said during the interview that in legal and penitentiary related matters, "Peru has also shown proof of a respect for human rights," but he admitted that the case of the 10 people missing from Teachers College, also known as La Cantuta, is a "thorny" issue.

Roundup of Economic Developments Through 17 Jan

PA1701222394

[Editorial Report] The following is a compilation of reports on Peruvian economic developments monitored by Panama Bureau through 17 January; source follows in parentheses after item.

Guillermo Albareda, secretary of the Gold Committee of the National Mining Society (Sociedad Nacional de Mineria, SNM), has said that whereas Peru produced 18 tons of gold during 1992, it produced 28 tons during 1993. He added that 70 percent of the gold was obtained by new or expanded companies. Among the major investments he has cited were the Yanacocha Mine in Cajamarca Department, which the U.S. company Newmont Mining has been exploiting since last year, with an initial investment of $50 million. He has also attributed the growth in this sector to expansion and modernization in the Retamas and La Poderosa Mines. (Madrid EFE in Spanish 2042 GMT 12 Jan 94)

Venezuela

President-Elect Comments on Constitutional Reforms, VAT

PA1401155994 Caracas Venezolana de Television Network in Spanish 1550 GMT 13 Jan 94

[Interview with Venezuelan President-elect Rafael Caldera by an unidentified reporter at the Supreme Court of Justice in Caracas; date not given—recorded]

[Text] [Caldera] I understand that the budget is something that is quite important; nevertheless, it is not something that has priority status. There are other issues that are above financial considerations.

[Reporter] Do you then believe it is something related to moral values?

[Caldera] Fundamentally, all of the problems we are experiencing in the country originate from the moral crisis we have been confronting.

[Reporter] With respect to the reforms needed within the judicial branch, what are the initiatives you have proposed?

[Caldera] [words indistinct]

[Reporter] With respect to the reforms needed in the judicial branch, could you explain what your proposals will be?

[Caldera] Well, at this point in time it would be impossible to explain all of the reforms that have been proposed. It would be necessary to first start by reforming the Constitution. A general constitutional reform entails several proposals which, by the way, would include recommendations by Supreme Court Vice President

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Alirio Abreu Burelli—recommendations similar to those made last year by Magistrate Josefina Calcano de Temeltas in an address in which she proposed the creation of a constitutional court.

In addition, there are numerous other opinions that include reforming the Constitution, laws, and related administrative orders. These proposals are currently being received favorably because of something that is quite true, and that is this: All Venezuelans are convinced that we are facing a very difficult situation. The next administration and government will face a very complicated situation, but it is necessary for us to begin now, because the moment is fundamental if we expect to reach the 21st century under the best conditions for democracy.

[Reporter] In terms of the value-added tax [VAT], at this time there are eight annulment appeals that...

[Caldera, interrupting] There you go, dragging me into the VAT again!

[Reporter] Of course, this the issue the people are most interested in.

[Caldera] That is alright; it really does not matter. My position with respect to the VAT is quite clear. Now, I would not like to venture and express a judicial opinion at this time and place. Of course, out of respect for the Supreme Court of Justice, I am forced as a private citizen to...

[Reporter, interrupting] Mr. President, right now there are eight annulment appeals to repeal this bill. What can you say about this?

[Caldera] I can only say that this issue must be decided as quickly as the previous appeals were resolved.

[Reporter] What are your final proposals?

[Caldera] I am committed to struggling to eliminate the VAT in a way that will also reform the tax system, establish a tax on those groups that are living in better conditions and can afford to pay, and not increase the tax burden on the less privileged sectors.

[Reporter] Anyway, in your opinion, what actions should be...

[Caldera, interrupting] That is enough for now.

Value-Added Tax Temporarily Suspended at Retail Level

PA1701170994 Caracas Venezolana de Television Network in Spanish 1550 GMT 17 Jan 94

[From "The News" newscast]

[Text] Decentralization Minister Allan Brewer Carias announced that the Council of Ministers decided last night to suspend the VAT [value-added tax] at the retail level until merchants obtain authorization from the Finance Ministry to use cash registers that have been adjusted to include the new tax. Brewer said the Council of Ministers decided to reform Article 2 of the VAT and that merchants must request the necessary authorization from the Finance Ministry prior to 28 February. He added that consumers cannot be charged the VAT until merchants obtain the authorization and duly display it in their stores and outlets.

[Begin Brewer recording] This means that retail merchants cannot charge consumers the VAT until they obtain the proper authorization. Of course, any VAT collected up to this point must be turned over to the National Treasury. The Tax Office will fine merchants according to the current tax law if they violate this law in any way. [end recording]

BCV Expels Banco Latino From Chamber of Compensation

PA1601151494 Caracas EL UNIVERSAL In Spanish 14 Jan 94 p 1-1

[Communique issued by the Venezuelan Central Bank]

[Text] The Venezuelan Central Bank [BCV], as part of its duties as a clearinghouse bank, has excluded Banco Latino, C.A. from the clearinghouse system.

The decision was made when Banco Latino's debit balance could not be paid on 12 January at the Chamber of Compensation's close of business due to a shortage of funds in its BCV account. As a result, the procedures established in Article 12 of the Chamber of Compensation's regulations had to be enforced.

Consequently, Banco Latino will cease to participate in the Chamber of Compensation System. The BCV has notified the Superintendency of Banks, Fogade [Deposit Guarantee Fund], the finance minister, and the president of the National Banking Council of its decision so each of them can do their duty in accordance with the law.

This case will be handled by the competent institutions, which will apply the new banking legislation, so the normal functioning of the financial system should not be affected. The BCV hopes this situation will be resolved in the most constructive manner by the appropriate bodies to guarantee the enforcement of the savings, payments, and financial intervention systems.

Banco Latino Placed Under Government Control

PA1701174494 Caracas Venezolana de Television Network in Spanish 1550 GMT 17 Jan 94

[Report by Ligia Moreno from "The News" newscast; monitored in progress]

[Text] ...he indicated that Banco Latino had been excluded from the clearinghouse system by the Central Bank of Venezuela on 13 January after Banco Latino was unable to pay off the debt balance of more than 4 billion bolivares by the clearinghouse's close of business on Wednesday, 12 January, due to insufficient funds in the deposit account at the bank of issue. That is why this institution resorted to the Simon Bolivar Center, whose representative is Engineer Cesar Rodriguez, governor of Caracas.

[Begin Rodriguez recording] Banco Latino and its board of directors know of the efforts made by the Simon Bolivar Center to pay off nearly 14 billion bolivares, including interest, a debt that is over 15 years old. I received the authorization from the Council of Ministers to make the payment at 1030 on Thursday, 13 January. I left Simon Bolivar Center at 1500, and it is possible that I may have arrived there a few minutes after 1600 to sign the document and turn in the bonds, which the Central Bank knew had been delivered by the Finance Ministry a few hours before, meaning late in the afternoon on Wednesday, 12 January. The situation is not, as some reports indicate, an operation in which the Simon Bolivar Center and I had the bonds for a long time. The Finance Ministry issued the bonds and sent them to the Central Bank only 20 hours earlier. The finance minister, a member of the assembly at the Simon Bolivar Center, wanted this operation to be approved by the president in a Council of Ministers meeting. As you can see, the operation was carried out after the bonds were received. It was an operation that lasted less than 24 hours. All efforts that could be made were made. I was really surprised to see that an institution as strong as this, one of the largest banks in the country—the second largest in the country in deposits—was about to collapse just because the president of the Simon Bolivar Center got there a minute early or a minute late. [end recording]

The Superintendency of Banks, however, took over bank duties with all the powers of administration, management, control, and surveillance, including all powers granted by the law in these cases, after the government's announcement to shut the doors of Banco Latino was made.

[Begin recording] [Presidency Secretary Ramon Espinoza] We want to find the means to protect the public's savings accounts and finally guarantee that savings account holders can have access to their money as soon as possible.

[Superintendent of Banks Roger Urbina] The government-apppointed administrator will have a 90-day term to conduct the audits that will allow them to determine the precise financial status of Banco Latino. Based on this report, all the neccessary measures will be taken to sell the bank to private national or foreign investors in an effort to keep the institution working. According to the financial mechanisms established in the bank laws, Fogade [Deposit Guarantee Fund—Fondo de Garantia de Depositos] will contribute resources to Banco Latino so its clients can begin withdrawing from their savings accounts as soon as possible according to the procedures determined by the government-appointed administrator, which will be announced at the proper time. In this program, priority will be given to small savings account holders. At any rate, it is important to note that Fogade guarantees deposits up to 1 million bolivares according to Article 127 of the Bank Law. The Superintendency of Banks is also studying preventive measures for the remainder of the financial institutions that make up the Latino Group. [end recording]

Despite the announcement, Banco Latino issued a communique to the public because its president, Giacomo Leon, refused to speak to the media. In the communique, Banco Latino assures the nation of its willingness to respect the government's decision and to cooperate as much as possible in protecting the interests of those who have trusted in them for the last 43 years.

The institution thanks its personnel for their cooperation and hopes to overcome the problems faced by the banking institution caused by a criminal campaign of rumors that led to an excessive withdrawal of funds, which led to the subsequent closure of Banco Latino.

Roundup of Economic Developments Through 17 Jan

PA1801012894

[Editorial Report] The following is a compilation of reports on Venezuelan economic developments monitored by Panama Bureau through 17 January; source follows in parentheses after each item.

Health and Development Ministry sources reported on 11 January that medicine prices will be controlled. Prices skyrocketed—some increased by 200 percent in certain cases—after the announcement of implementation of the value added tax. Prices will be set at December 1993 levels, following an agreement with pharmaceutical industry representatives. The government also placed 10 staple items under price control to prevent further speculation. (Paris AFP in Spanish 0054 GMT 12 Jan 94)

Venezuelan Petroleum, Petroven, plans to invest 140 billion bolivares in the refining field. The budget includes 120 million bolivares, which will be channeled to the Amuay and Cardon Refineries. Gustavo Roosen, Petroven president, has announced that Venezuelan refineries have processed an average of 949,000 barrels per day. Amuay has 440,000 barrels, and Cardon processed 265,000 barrels per day. Investments in refining installations totaled 80 billion bolivares in 1993. (Caracas EL GLOBO in Spanish 13 Jan 94 p 14)

The Energy and Mines Ministry has reported that the mining industry has extracted products worth 74.8 billion bolivares, including gold, steel, diamonds, coal, bauxite, granite, marble, phosphate and other minerals. Steel topped the list with 33.4 billion bolivares for its 20.5 million metric tons. Gold and diamonds each produced 9.1 billion bolivares; coal produced 10.65 billion bolivares, and bauxite registered 5.83 billion bolivares. Foreign currency influx totaled $1.3 billion, while expenditures totaled $930 million. The difference, bolivares by the clearinghouse's close of business on Wednesday, 12 January, due to insufficient funds in the deposit account at the bank of issue. That is why this institution resorted to the Simon Bolivar Center, whose representative is Engineer Cesar Rodriguez, governor of Caracas.

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$384 million, is a considerable increase over 1992's $93 million. (Caracas EL GLOBO in Spanish 13 Jan 94 p 14)

The government has reported paying 116 billion bolivares to the national debt. Finance Ministry officials have issued a report stating that 88.6 billion bolivares went to capital payment and the remainder went to interest and service payments. Despite the payment, the national debt grew by 84 million bolivares, however, to 219.579 billion bolivares. (Caracas EL GLOBO in Spanish 13 Jan 94 p 10)

Maraven, a subsidiary of Petroven, reported shipping 256.7 million barrels of crude oil during 1993, of which 152 million barrels were shipped abroad, and 100 million barrels were sent to the Cardon Refinery. Despite repair and remodeling work at its Miranda Port facilities, the corporation has stated that it met its storage and shipping goals for the year. According to management spokespersons, this volume sets a record in the corporation's 34 years of operations. (Caracas EL GLOBO in Spanish 14 Jan 94 p 14)

Despite the weakening international oil market, the Venezuelan Petroleum Corporation has reported income of $2.5 billion during 1993. Corpoven listed exports of 653,000 barrels per day of crude oil and refined products. Corpoven has announced that it had successfully managed to sell oxygenated gasolines to the demanding U.S. market, which made 1993 an especially productive year. (Caracas Venezolana de Television Network in Spanish 1550 GMT 14 Jan 94)

Guyana

World Bank Forum To Discuss Funding for Guyana

FL1501011094 Bridgetown CANA in English 2138 GMT 14 Jan 94

[Text] Georgetown, Guyana, 14 Jan, CANA—A conference of the Caribbean Group for Co-operation in Economic Development (CGCED) to be held here January 27-28 is being billed as a major opportunity for Guyana to secure commitments of funding.

Government officials say they are "cautiously optimistic" that the World Bank forum can produce pledges of new funding to plug a US40 million to US50 million dollar projected financing gap in 1994.

The World Bank said nearly 50 countries and international organisations are expected to be represented at the meeting which will focus on Guyana's economic recovery effort.

Together with Guyana's major creditor nations and several newly industrialised countries, attendance at the meeting will include the UN Food and Agriculture Organisation, the Inter-American Development Bank (IDB), the International Finance Corporation, the Internationsl Fund for Agricultural Development, the Kuwait Fund, and the International Moetary Fund.

CGCED, meeting here for the first time, is a World Bank forum which helps coordinate external aid to Caribbean states.

Guyana's president, Dr. cheddi Jagan, is scheduled to address the delegates January 27, and a financing plan and the donors' programme for Guyana will be examined on January 28. On Jan. 28, also, the Guyana Government will host a discussion on its development programme.

Former US President Jimmy Carter, who spearheaded international participation in Guyana's October 1992 elections, widely heralded as marking the country's return to democracy, is also to participate in the forum. Carter, representing the Altanta-based Carter centre of Emory University, is expected in Guyana January 25 for the conference.

Dr Uma Lele, an official of centre [as received] visiting here this week, said the former President's role at the coming meeting will be to understand the constraints faced by nations like Guyana and the demands that donors make, and to identify how he could help.

National Assembly Passes Bill on CET Rates

FL1501184394 Bridgetown CANA in English 1656 GMT 15 Jan 94

[Text] Georgetown, Guyana, 15 Jan, CANA—Guyana's National Assembly has passed a customs amendment bill comprising new rates of the Caribbean Community (Caricom) Common External Tariff [CET] , being implemented by the community's 12-member common market.

Guyana is one of three member states—Antigua and Barbuda, and Montserrat are the others—yet to implement the CET after Caricom agreement in 1992 on a lowering of the tariffs to reflect international trends.

All three opposition parties here supported the government as the Customs (Amendment) (No. 2) Bill 1993 came up for debate and passage this week. Debate on the bill was previously scheuled for December 16, but was postponed because of delays in printing of the voluminous tariff rates.

The CET is intended to demarcate a regional market behind a common tariff against third-country goods. It is expected to facilitate the development of regional manufacturing and agriculture.

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